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ABSTRACT

Interim national standard procedures for deriving per-student costs in postsecondary educational institutions are discussed in this staff paper. The interim procedures are intended to develop a national data base on the average annual cost per-student by level of instruction and field of study. The proposed procedures classify students by level-lower division, upper division, and graduate, and by field of study, according to the four digit discipline code of the HEGIS Taxonomy of Instruction Programs. Direct costs are aggregated by department and distributed to level of instruction on the basis of faculty assignment. Indirect costs are allocated to the departments by a specified allocation procedure. The resulting instructional unit costs are related to student majors by the induced course load matrix, which yields the average annual full cost per student by level of student and field of study. Once each participating institution determines its average annual full cost-per-student data, such data could be contributed to a national data base, along with explanatory materials that briefly characterize the students and the institutions. (Author/MJM)

ED 087292

National
Commission on the
Financing of
Postsecondary
Education

A PROPOSAL:

Interim National Standard Procedures for Deriving Per-Student Costs in Postsecondary Educational Institutions

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Staff Paper

ED 087292

A PROPOSAL: INTERIM NATIONAL STANDARD PROCEDURES FOR DERIVING PER-STUDENT COSTS IN POSTSECONDARY EDUCATIONAL INSTITUTIONS

A Staff Report

by

James Farmer

December 31, 1973

NATIONAL COMMISSION ON THE FINANCING OF POSTSECONDARY EDUCATION

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Preface

In Public Law 92-318 (Section 140), Congress charged the National Commission on the Financing of Postsecondary Education with developing "national uniform standard procedures for determining the annual per-student costs of providing postsecondary education for students in attendance at various types and classes of institutions of higher education."* While a great deal more data must be generated to facilitate the development of national standards (see Chapter 8 of the Commission's report), this staff report suggests some interim national procedures that would be particularly applicable to instructional rather than research institutions. It goes on to explain certain limitations on the use of information derived by these proposed interim procedures, as well.

The interim procedures are intended to develop a national data base on the average annual cost per-student by level of instruction and field of study (student major), and not to provide procedures for cost reimbursements. The data from participating institutions, the Commission recommends, should be classified by type of institution. Furthermore, each participating institution should produce supplementary information describing its programs and student body. The proposed procedures described in this staff report closely follow the Information Exchange Procedures of the National Center for Higher Education Management Systems; but some of the steps have been simplified.**

These procedures should be useful to institutions that are interested in developing student costs, state and federal agencies that want costs

*See Ref. 1, pp. 27-29.

**See Refs. 2 and 3 for the NCHEMS Information Exchange Procedures.

at an improved level of comparability, and researchers who are improving costing procedures or using costs in their studies of postsecondary education. These interim procedures should be a significant step toward developing and testing possible national uniform standard procedures for determining annual per-student costs of postsecondary education.

Acknowledgments

This procedures manual was taken, in large part, directly from NCHEMS publications by Dr. Robert Huff, Michael E. Young, Nancy Renkiewicz, James Topping, Charles Manning, and Leonard Romney. In addition, Robert Walhaus, Robert Huff, James Topping, Doug Collier, and Wayne Kirschling provided extensive background material and careful guidance.

Many individuals and organizations, particularly the National Association of College and University Business Officers, that participated in the Commission's full meetings as well as committee meetings, have contributed historical perspective, practical experience, insight, and diverse judgments. Commissioners George Kaludis and Dan Martin, and SUNY staff member Hank Dullea contributed significantly to this document. Dave Nyman and Harry Williams of the Illinois Board of Higher Education, Jack Eberly of the Florida Department of Education, Winn Sanderson of the Nebraska Legislative Fiscal Office, Tallman Trask of the California Department of Finance, and Peter R. Ellis of the W.K. Kellog Foundation gave several days of their time, to share their experience using costing systems with the Commission staff.

These contributions are gratefully acknowledged. Nevertheless, the opinions expressed in this document, especially its specific solutions to an issue that has been controversial for more than a decade, reflect the judgments of the Commission and its staff. They should not be attributed to the many who contributed their expertise so willingly to the Commission.

Summary

The proposed interim national standard per-student cost procedures for postsecondary education are based on the average annual full cost for a student, by level and field of study. They closely parallel the NCHEMS Information Exchange Procedures as described in the Field Review Edition of *Information Exchange Procedures*.*

The proposed procedures classify students by level—lower division, upper division, and graduate—and by field of study, according to the four digit discipline code of the HEGIS *Taxonomy of Instruction Programs*. (See Appendix A.) Direct costs are aggregated by department and distributed to level of instruction on the basis of faculty assignment. Indirect costs are allocated to the departments by a specified allocation procedure. The resulting instructional unit costs (cost per credit hour, cost per contact hour, or cost per course) are related to student majors by the induced course load matrix, which yields the average annual full cost per student by level of student and field of study. (Key terminology is defined in the Glossary, Appendix B.)

Once each participating institution determines its average annual full cost-per-student data, such data could be contributed to a national data base, along with explanatory materials that briefly characterize the students and the institution.

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*See Ref. 3

TABLE OF CONTENTS

Preface iii
Acknowledgments v
Summary vii
List of Figures xi

Chapter

I. INTRODUCTION 3

Feasibility of Procedures Today 3
Specification of Interim Procedures 4
Use of Per-Student Cost Information 6

Intent 6
Incentive 6
Accuracy 7

Limitations on the Use of Per-Student Costs 7

Applicability 7
Accuracy. 8
Relevance 9

Differences from NCHEMS Information Exchange Procedures 9

Levels of Instruction 9
Activity Classification 10
Teaching Hospitals and Medical Instruction 10
Standard Direct Costs 10
Calculated Use Charge of Capital Assets 11
Discipline Costs 12

II. PROPOSED INTERIM PROCEDURES 15

Overview 15
Steps of the Procedures 19
Step 1. Determine Activity Structure 19
Step 2. Distribute Standard Direct Costs to Activity Centers 23
Step 3. Determine Instructional Program Structure 24

Chapter

Step 4. Develop an Induced Workload Matrix (IWLM) 24
Step 5. Develop Standard Direct Unit Costs for the Instructional Activity Centers 24
Step 6. Distribute Standard Direct Expenditures from the Instructional Activity Centers to Instructional Programs Via the IWLM 26
Step 7. Develop Direct Unit Costs for Instructional Programs 26
Step 8. Collect Allocation Parameter Data for Primary Activity Centers 26
Step 9. Allocate Support Costs to Primary Activity Centers 28
Other Procedural Considerations 29

Expenditures and Costs 29
Cost Components 30
Student Aid 31
Summer School 32
Allocation of Indirect Costs 32
The Induced Course Load Matrix 33
Software Support 34

III. CONCLUSIONS 37

REFERENCES 41

APPENDIX

A. HEGIS Taxonomy of Instructional Programs 45
B. Glossary 55
C. Program Classification Structure Activity Centers 89

LIST OF FIGURES

Figure

1. NCHEMS Program Classification Structure 16
2. Average Cost Per Annual Student Credit Unit 17
3. Costs for an Upper Division Chemistry Major 18
4. Program Classification Structure Activity Center 20
5. PCS Coding Scheme 21
6. Program Sector Coding - Instructional Program 22
7. IWLM for Lower-Division Student Programs 25
8. Distributing Direct Expenditures from the Instructional Activity Centers to Instructional Programs Via the IWLM 27
9. Allocation Parameters for Each Support Cost Center 28
10. NACUBO Functional Classifications 31

Chapter I

Introduction

Introduction

Feasibility of Procedures Today

To meet Congress' charge to suggest national uniform standard procedures for deriving annual per-student costs, the National Commission (1) studied previous efforts on costing in postsecondary education and, (2) met with many institutional and state agency officials who have established or attempted to establish costing systems and talked with researchers who are developing costing procedures. To date there has been only limited success in developing and implementing such procedures. But it appears that a uniform procedure for developing annual costs per student by level of instruction and field of study is, at this time, technically and economically feasible. Certain limitations do exist. However, these specific procedures were developed, provided that

- Nationwide reporting is not mandated (which would require procedures applicable to all institutions with widely different capabilities);
- Users are aware of the procedures' limitations and recognize that improvements through research and testing are likely in the immediate future; and
- Data from a national sample are published to provide some comparative data to improve institutional planning and management.

In selecting the national procedures, a number of arbitrary choices had to be made. There is no general consensus on the "best" procedures, and decisions had to be made. Also, the Commission was frequently faced with a choice between a complex, but more valid procedure, and a simple, but less valid procedure. Since the purpose of the interim procedures is wide use, the simpler procedure was usually selected.

The proposed interim procedures have several important features: they can be implemented without sophisticated operational data systems; they do not require changes in the accounting systems of most institutions;

and they serve as a useful transition mechanism from current systems (or their absence) to the more sophisticated NCHEMS Information Exchange Procedures, the AICPA "Audit Guidelines," and the forthcoming combined recommendations from the Joint Accounting Group of the National Association of College and University Business Officers, the American Institute of Certified Public Accountants, and NCHEMS.*

Specification of Interim Procedures

A number of research and implementation projects that have been underway for several years are now nearing completion. In the next year or so, they should significantly improve the application of cost procedures to postsecondary education.

One of these is the NCHEMS Cost Finding Principles project, studying alternative methods of allocating indirect institutional costs to direct costs.** This project should provide better methods of cost allocation, criteria for evaluating alternative allocation procedures, and experience in applying cost allocation techniques to major research institutions. Another major contributor to cost procedures is the NCHEMS Information Exchange Procedure (IEP) project which provides the wide review, extensive field testing, and training so necessary to the development of national standard procedures for annual per-student costs. In addition, the National Association of College and University Business Officers is reviewing accounting systems; the American Council on Education is examining the use of institutional resources; and several postsecondary institutions and associations, often with foundation support, are developing, testing, and implementing costing systems and

*See Ref. 4.

**See Refs. 5 and 6.

cost analysis. In short, the problems of defining costs and setting up costing procedures in postsecondary education are receiving considerable attention.

Because costing procedures are likely to be refined as more and more research information becomes available, the National Commission on the Financing of Postsecondary Education recommends that the federal government develop final procedures that incorporate such findings and that it issue them as national standards in the near future and update these periodically. (See the Commission's full report, *Financing Postsecondary Education in the United States.*)

It is the hope of the Commission that its proposed interim procedures will be widely implemented until such time as national standards can be issued. First, given widespread use of such interim procedures, a body of precedent—providing further definitions of terms and refinement of techniques—could build up. Second, the resulting data would be useful to institutions, systems, and state and federal agencies in many ways—beyond serving as the basis merely for national reporting. The Commission recognizes, however, that for many institutions, the costs of implementing even these interim procedures would be inordinately burdensome. It therefore has not recommended required national reporting for all institutions at this time. It hopes that enough institutions will voluntarily undertake its suggested interim procedures to establish a national data base. In this way, further refinements could be derived before national standard requirements are imposed on all postsecondary educational institutions.

In selecting the proposed interim national standard cost procedures, the Commission selected those procedures most likely to emerge as best in the next few years. Because of NCHEM's wide participation, extensive and continuing field testing, and broad analytical scope, NCHEMS procedures

529-911 O - 74 - 2

are the ones most likely to be accepted by institutions, state and federal agencies, and the public and their representatives. Thus, the Commission based its procedures on the NCHEMS Information Exchange Procedures and supplementary projects.

Institutions should view the interim procedures as another step in improving current cost information. And, although other refinements will certainly follow, institutions should realize that these procedures will likely be compatible with the dominant procedures emerging over the next few years.

Use of Per-Student Cost Information

There are significant differences between the proposed interim national standard cost procedures and the federal government's cost reimbursement procedures*:

1. Intent

The interim national standard cost procedures should identify all costs (resources) used for instruction, regardless of source. The decision of the institution to incur the costs (expand the resources) is sufficient reason to include all costs, without reference to future reimbursement. By contrast, since the federal government does not reimburse certain types of expenditures (such as interest, entertainment, and public information) these kinds of costs are usually excluded from cost reimbursement computations.

2. Incentive

The national standard cost procedures should be used, as accurately as their steps permit, to represent the underlying use of resources in the institution. On the other hand, it is appropriate under the federal

*Ref. 7.

cost reimbursement procedures for the institution to choose the categories and methods of accounting that maximize its reimbursement.

3. Accuracy

The kind of decision required in policy making determines how accurate the information upon which it is based has to be. The accuracy level of information about per-student costs may be significantly less than that required for reimbursement purposes.

Therefore, on the basis of their intended use, the national standard cost procedures differ significantly from those used for cost reimbursement. On the other hand, to minimize the accounting and cost analysis burden to institutions, the two kinds of procedures should be as similar as possible. Where appropriate, then, the interim procedures follow the lead of the Cost Accounting Standards Board, the federal government's principal agency in setting national cost accounting requirements.*

Limitations on the Use of Per-Student Costs

The proposed interim procedures have been developed as useful tools for institutional comparisons and state and federal policy analysis. But, several limitations to this use of the data should be recognized:

1. Applicability

The proposed procedures may not accurately represent the complex processes in a research university, a liberal arts college with non-classroom educational experiences and programs, or community colleges with mixed transfer and occupation-vocational programs. In each of these types of institutions, the interim procedures may not be properly

*See Ref. 8 and Section 8001 through 8062.

applied. For example, costs may not be identified with the appropriate output, because the educational processes are not well enough understood to allow analysts to identify the relationships between expenditures and output. Answers to these kinds of questions remain hazy: Which types of students benefit from study carrels in the library? Or from conversational areas on the campus? Or from campus speakers? In other cases, there is a joint product that cannot readily be allocated to one expenditure category or another. That is, the expenditures benefit several different types of students or programs (such as instruction and research). How does one allocate costs in such circumstances: either proportionally or as if one were the by-product of another?

The interim procedures, then, depend strongly upon the intermediate output—defined in terms of student credit hours, student contact hours, courses, or some similar instructional unit. And this output measure may not be accurate for institutions with extensive independent study or graduate research.

During the NCHEMS-IEP consortia test, similar procedures were found accurate for typical instructionally-oriented institutions. Some institutions may find the identification of costs and output inadequate, but the nature and extent of any inadequacies can only become known through actual, widespread application of the procedures to diverse postsecondary educational institutions. When an institution finds the procedures inadequate in a particular circumstance, it would report the nature and extent of the inadequacy, along with the rest of its data, to the national data collection agency.

2. Accuracy

The simplified steps of the interim procedures may reduce the data's level of accuracy. More complex procedures, based on extensive

data systems, would produce more accurate results. Furthermore, past experience in cost accounting has demonstrated that the accuracy of these systems improves with extensive use. At this time, it is not possible to predict the accuracy of these procedures in advance of widespread use.

3. Relevance

While the results of these procedures can be used for many different types of decisions, in most cases marginal costs—the costs of more or fewer students, the costs of an additional program—are more useful than annual average per-student costs. The user should bear in mind the difference between average and marginal costs, and use the different kinds of costs appropriately.

Differences from the NCHEMS Information Exchange Procedures

There are several differences between the Information Exchange Procedures of the National Center for Higher Education Management Systems (NCHEMS) and the proposed interim national standard per-student cost procedures:

1. Levels of Instruction

The NCHEMS-IE Procedures employ four levels of instruction—lower division, upper division, and graduate I and graduate II. The proposed procedures combine the two graduate levels of instruction, since at this time many institutions would have difficulty in applying the IEP definitions. The final national standard procedures, however, should maintain two categories of graduate instruction. If there is no significant difference in levels of instruction (as in some liberal arts colleges), only one level of instruction is required. However, three student levels must be used as applicable.

2. Activity Classification

The proposed procedures are identical, at the program level, with the NCHEMS-IEP. However, at the subprogram level, many of the activity classifications have been combined.*

Because the proposed interim procedures do not include a faculty activity analysis and should be closely related to current accounting practices, department level administration, including the department chairman, is classified as 1.X Instruction rather than 4.6 Academic Administration. (See Appendix C.)

3. Teaching Hospitals and Medical Instruction

NCHEMS-IE Procedures include teaching hospitals and medical instruction. However, the proposed interim procedures recommend that medical instruction, particularly at the graduate level, await the recommended procedures being developed by the Institute of Medicine for the Department of Health, Education, and Welfare.**

4. Standard Direct Costs

The NCHEMS-IE Procedures define direct costs as "those categories of expenditures that are assigned directly to activity centers and consist of instruction/research/public service personnel compensation, administrative/support personnel compensation, other staff compensation, and supplies and services expenditures." In the proposed interim procedures, this definition covers what are termed standard direct costs. However, there are other direct costs in an institution, particularly chargebacks.*** The standard direct costs would be used to produce

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* NCHEMS subprograms are identified in Appendix C.

** See Ref. 9.

***Chargebacks, an internal accounting transaction for identifying indirect costs to a user, generally on the basis of proportional use; typically used by computer centers, audio-visual centers, and duplicating centers.

direct costs for comparison, but other direct costs would be included in computing full costs. The NCHEMS procedures also include a use charge for equipment, buildings, and student aid as total direct costs.* But in the proposed interim procedures, these are not included as standard direct costs, since such use charges usually are allocated and since the markedly different student-aid expenditures would impair the comparison of direct costs among institutions.

5. Calculated Use Charge of Capital Assets

The NCHEMS-IE Procedures include the estimated annual depreciation of capital assets and the annual interest foregone on the total investment. The proposed interim procedures include an estimate of depreciation, but exclude the foregone interest. For postsecondary institutions, foregone interest is a cost. But foregone income or "opportunity costs" have not been accepted in costing procedures that attempt to relate resource use to outcome, as the interim procedures do. (They are accepted when alternative investments are being considered.)

As for calculating depreciation, the two procedures also differ. The NCHEMS procedures suggest a 50-year life for buildings and a 10-year life for equipment. The proposed interim procedures, following the Cost Accounting Standards Board in computing depreciation, do not prescribe a value, but permit the institution to choose a consistently used reasonable value. (It appears that equipment life may be closer to 6 years than 10, if Internal Revenue Service guidelines were applied to institutions.)

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*See Ref. 3, page 120. The definition of direct costs is changing, different references reflect different points of view.

6. Discipline Costs

The NCHEMS-IE Procedures require that institutions identify costs with the appropriate HEGIS discipline. This means that costs for departments that teach two or more disciplines must be distributed or reclassified. In practice, this has proved to be tedious, since institutions usually account by departments—an organizational entity often with budget responsibility. Since the proposed interim procedures are to be used only for per-student costs, the department can be used as an activity and cost center. Thus, if there is a department, say of biological sciences, that teaches courses covering two of the HEGIS disciplines, the costs need not be identified separately. Rather, through use of the induced course load matrix,* the costs of the department's courses will be appropriately related to the student by courses, without the need for a standardized intermediate step of determining discipline costs.

*The induced course load matrix is a device or a representation of organizational units in an institution and the student programs that draw from each of these organizational units. This matrix can be used as a device to distribute organizational costs (such as departments) to student programs (such as a Chemistry major).

Chapter II

Proposed Interim Procedures

Proposed Interim Procedures

Overview

The proposed interim procedures reflect, in part, the traditional view of postsecondary educational institutions: three primary programs—instruction, research, and community service—and supporting programs or activities. For this view of postsecondary educational institutions, the basic cost accounting structure is the NCHEMS Program Classification Structure shown in Figure 1.* In addition, some additional activity centers—such as student aid and hospitals—are created in the interim procedures for convenience in classifying costs.

The direct costs of the academic departments, as well as charge-backs, and an allocation of indirect costs from the support programs are used to develop a cost per-instruction unit. Usually, the cost per-instruction unit is a cost per semester credit hour, student contact hour, course, or some other unit representing instructional activity, achievement, or workload that the institution deems appropriate. An example of such costs is given in Figure 2.**

Out of this kind of cost classification and allocation comes a cost that can be related to a student through the induced course load matrix. For example, if the semester credit hour is the costed unit, and a lower division chemistry major takes 10 semester credit units in chemistry, 5 in mathematics, and so on, then the costs of these units can be related to the student as shown in Figure 3.

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* Ref. 10.

**Examples are taken from Ref. 11.

Figure 1: NCHEMS Program Classification Structure

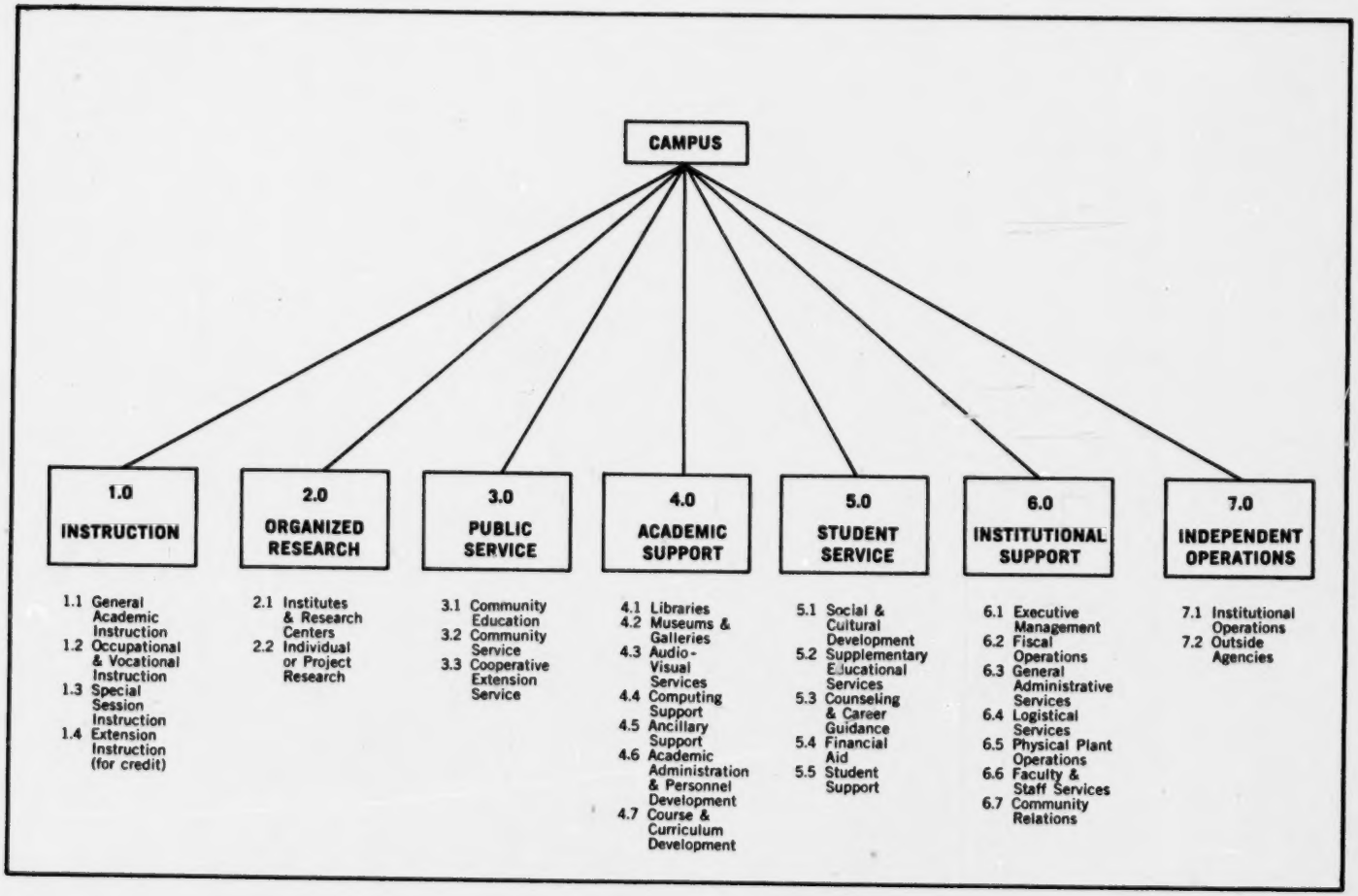

Figure 2: Average Cost Per Annual Student Credit Unit

Discipline	Instruction Level*	Direct Instructional	Indirect	Total
Art	L	18.55	18.05	36.60
	U	30.87	24.31	55.18
	G	56.41	36.28	92.69
Business	L	--	--	--
	U	22.11	21.79	43.90
	G	52.15	35.42	87.57
Chemistry	L	29.79	20.03	49.82
	U	73.97	43.10	117.07
	G	181.74	88.58	270.32
Engineering	L	54.51	85.93	140.44
	U	67.61	39.07	106.68
	G	77.86	42.72	120.58
English	L	20.62	19.53	40.15
	U	26.62	22.09	48.71
	G	56.06	34.91	90.97
Mathematics	L	30.07	23.96	54.03
	U	37.45	27.87	65.32
	G	109.24	58.20	167.44
Sociology	L	15.95	16.03	31.98
	U	19.02	17.67	36.69
	G	38.45	26.61	65.06

*L-Lower Division, U-Upper Division, G-Graduate

Figure 3: Costs for an Upper Division Chemistry Major

Department	Number of Units*	Cost/Unit**	Cost
Art	0.11	$28	$ 3.08
Biological Science	3.05	39	118.95
Chemistry	10.70	78	834.60
Foreign Language	2.70	27	72.90
Mathematics	3.30	37	122.10
Physics	2.35	53	124.55
Political Science	0.33	24	7.92
Psychology	0.86	23	19.78
Religious Studies	0.05	19	.95
Total	30.00	$52	$1,546.25

* Semester credit hour.

**Approximate average for different levels of instruction, actual level used for computations. Example departments only shown.

These general procedures have been used for several years in conjunction with NCHEMS projects. In addition to the abbreviated procedures in this document, then, the NCHEMS publications should be consulted.*

Steps of the Procedures

The proposed interim procedures are defined below as a series of steps. These steps include one or more actions that the user must complete. They describe in sequence the development of annual average per-student costs.

Step 1. Determine Activity Structure

The activity structure of the procedures is drawn from the NCHEMS Program Classification Structure (PCS) that includes the HEGIS Taxonomy as a component. (See Appendix C.) The activity structure consists of primary activity centers (bearing codes beginning with characters 1, 2, and 3) and support activity centers (bearing codes beginning with characters 4, 5, 6, and so forth). (See Figure 4.)

Detailed explanation and definition of each activity center within the activity structure is found in the NCHEMS PCS document.** Note that most of the primary activity centers (like 1.1, 1.2) and a few of the support activity centers (like 4.6, 4.7) should be delineated to the discipline or departmental level.***

Although the NCHEMS PCS (which includes the HEGIS discipline classifications) is used throughout these proposed interim procedures, an institution may elect to use departments, as they are organized, in lieu of disciplines. The institution could assign any code; but for

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*See also Ref. 12.

**Ref. 10.

***Differences from the NCHEMS-PCS are identified in Appendix C.

Figure 4: Program Classification Structure
Activity Center Summary

NCHEMS IEP		NCFPE Proposal	
1.1	General Academic Instruction*.....	1.1	General Academic Instruction*
1.2	Occupational and Vocational Instruction*.....	1.2	Occupational and Vocational Instruction*
1.3	Special Session Instruction*.....	1.3	Special Session Instruction*
1.4	Extension Instruction*.....	1.4	Extension Instruction*
2.1	Institutes and Research Centers**.....	2.0	Research
2.2	Individual and Project Research**		
3.1	Community Education**.....	3.0	Community Service
3.2	Community Service**		
3.3	Cooperative Extension Service		
3.4	Patient Services**		
3.5	Specialized Training Programs**		
4.1	Libraries.....	4.A	Libraries
4.2	Museums and Galleries.....	4.B	Other Academic Support
4.3	Audio/Visual Services		
4.4	Computing Support		
4.5	Ancillary Support**		
4.6	Academic Administration and Personnel Development**		
4.7	Course and Curriculum Development**		
5.1.7100	Student Development.....	5.0	Student Services
5.1.7200	Intercollegiate Athletics		
5.2	Supplementary Education Service**		
5.3	Counseling and Career Guidance		
5.4	Financial Aid Administration		
5.5	Student Support		
6.1	Executive Management.....	6.A	Physical Plant Operations
6.2	Fiscal Operations.....	6.B	General Administration
6.3	General Administrative Services		
6.4	Logistical Services		
6.5	Physical Plant Operations and Maintenance		
6.6	Faculty and Staff Services		
6.7	Community Relations		
6.9	Annual Use Charge for Capital Assets.....	6.C	Capital Use Charges
7.0	Independent Operations.....	7.0	Independent Operations
8.1	Scholarships.....	8.0	Student Aid
8.2	Fellowships		
9.0	Hospitals.....	9.0	Hospitals

*By discipline and course level
**By discipline

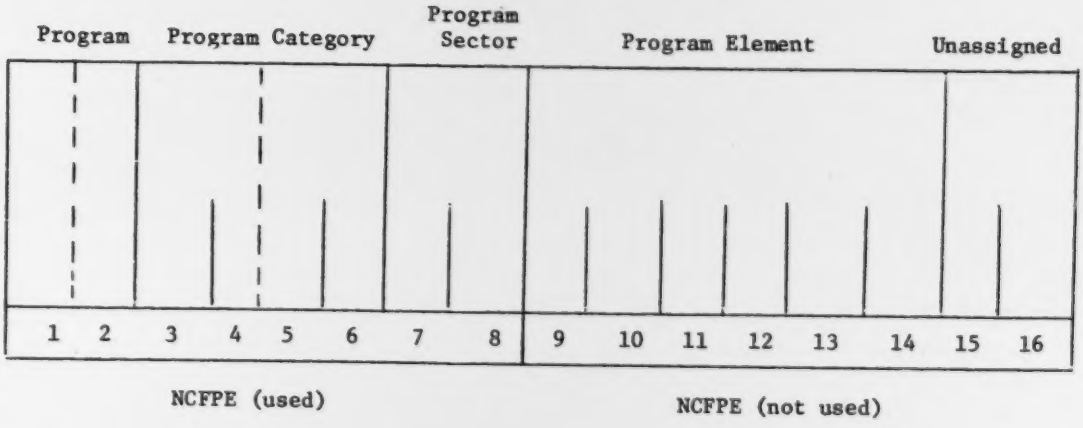
*By department and course level

convenience, the primary HEGIS discipline code for a department should be used. The coding scheme is not, of course, important per se; but it should identify a method of organizing information for the proposed interim cost procedures.

For the PCS Coding scheme, see Figure 5. Within this scheme, the regular instruction program is coded as "program" and "subprogram." The department or discipline is coded as "program category." The program sector of the PCS can be used to identify level of instruction. (See Figure 6.) Examples of delineated instructional activity centers:

Lower division history instruction	1.1.220520
Graduate physics instruction	1.1.190250
First year automotive mechanics instruction	1.2.530620

Figure 5. PCS Coding Scheme



Codes used in the IEP manual for the Elements of the Activity Center Structure

529-911 O - 74 - 3

Figure 6. Program Sector Coding - Instructional Program*

1x. Preparatory

2x. Lower Division

3x. Upper Division

4x. Combined Upper Division and Graduate or Professional

5x. Graduate or Professional Only

9x. Other

---

*Lower division (2x) relates to course offerings at a level of comprehension usually associated with freshman and sophomore students; upper division is for course offerings at a level of comprehension usually associated with junior and senior students; graduate and professional (5x) relates to post-baccalaureate offerings. Preparatory (1x) refers to typically noncredit course offerings or substitutes thereof (such as examinations) that may be required as part of the curricular requirements or preparation for degree work. Combined upper division and graduate or professional (4x) is to be used in those cases where no distinction is made between undergraduate and graduate courses. Other (9x) is a course level for those situations where the normal course levels are not appropriate. It should be noted that course levels are assigned relative to the intended degree of complexity or expected level of comprehension rather than the level of student enrolled in the course. For example, an elementary algebra course that happens to have an unusually large proportion of seniors enrolled does not become an advanced course by virtue of the participants.

(From Ref. 10.)

Step 2. Distribute Standard Direct Costs to Activity Centers

Standard Direct Expenditures include:

1. Salaries and wages (including benefits),
2. Supplies and services, and
3. Equipment (other than capital equipment).

Capital equipment (defined by NCHEMS consistent with CASB maximums: items over $500 with greater than two years useful life) is carried as department expenditures and should be placed in support cost center 6.8xxxx. Other direct costs, such as chargebacks, will be added after standard direct costs have been computed and before full costs have been computed.

An analysis of the assignments of each faculty member and professional within each instructional department is required in order to derive the percentages for distributing each individual's salary and benefits to the appropriate activity centers. Example:

Activities of John Jones, Physics Department:

Upper Division Physics Courses	- 30%	1.1.190250
Graduate Mathematics Courses	- 40%	1.1.170150
Curriculum Development (release time)	- 10%	4.7.1905
Organized Research Project	- 20%	2.2.1905

An alternative way to assign faculty compensation to activity centers is the faculty analysis method which uses faculty responses to activity surveys.* Faculty assignment, however, is preferable because it more closely reflects institutional intent.

After salaries and benefits for each instructional discipline have been distributed to instruction level activity centers, then wages, supplies, expenses, and all other direct discipline costs are distributed

*The NCHEMS Faculty Activity Analysis is described in Ref. 13.

to instruction level in proportion to the distribution of the salary dollar.

For all activity centers other than instruction, the accounting system expenditure data are accepted as direct costs and crossed directly from the accounting system to the NCFPE Activity Structure.

Step 3. Determine Instructional Program Structure

Using the HEGIS Taxonomy list of titles, define the instructional programs of the institution. (See Appendix A for the taxonomy.)

Step 4. Develop an Induced Workload Matrix (IWLM)

A matrix such as that illustrated in Figure 7 should be developed for the academic year for which the NCFPE cost study is being conducted. The IWLM represents credits* attempted for all students at the point in each term when the campus normally records and reports its course enrollments. (See "Census Data" and "IWLM" in Glossary, Appendix B.) The induced course load matrix represents the average number of credits for each single student major.

Step 5. Develop Standard Direct Unit Costs for the Instructional Activity Centers

Unit costs in instruction are based on any instructional unit, but examples are given in semester credits. Quarter credits and other units can be translated into semester credit equivalents using an appropriate ratio. For example, 3 quarter credits = 2 semester credits.

Direct unit costs are derived by dividing the semester credits for each instructional activity center into the direct expenditures for that activity center.

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*Or other instructional unit.

Figure 7. IWLM for Lower-Division Student Programs

Lower Division Disciplines		History P01	English P02	Biology P03	Chemistry P04	Physics P05	Elem. Edu. P06	Business P07	Sci./Math* P08	Humanities* P09	
T01 History	D01	259	162	63	32	21	224	96	74	148	1079
T02 English	D02	207	203	63	48	32	336	96	111	170	1266
T03 Math	D03	111	87	67	80	63	280	128	192	80	1088
T04 Biology	D04	74	87	63	48	19	168	51	126	80	716
T04 Botany	D05	15	6	63	6	0	56	6	59	11	222
T04 Zoology	D06	30	12	84	6	2	56	13	111	16	330
T05 Chemistry	D07	15	6	42	96	44	0	6	96	5	310
T05 Physics	D08	0	0	8	35	63	0	0	44	0	150
T06 Elem. Edu.	D09	74	58	0	0	0	168	0	0	69	369
T07 Second. Edu.	D10	59	64	42	32	8	0	96	74	58	433
T08 Phys. Edu.	D11	111	87	63	48	32	168	96	111	80	796
T09 Accounting	D12	30	0	0	0	0	0	128	0	0	158
T10 Economics	D13	111	87	63	48	32	168	128	111	80	828
T11 Marketing	D14	0	0	0	0	0	0	96	0	0	96
Upper Division Disciplines		**History P01**	**English P02**	**Biology P03**	**Chemistry P04**	**Physics P05**	**Elem. Edu. P06**	**Business P07**	**Sci./Math* P08**	**Humanities* P09**	
T01 History	D01	15	0	0	0	0	0	0	0	0	15
T02 English	D02	0	12	0	0	0	0	0	0	0	12
T03 Math	D03	0	0	0	0	0	0	0	0	0	0
T04 Botany	D05	0	0	4	0	0	0	0	0	0	4
T04 Zoology	D06	0	0	4	0	0	0	0	0	0	4
T05 Chemistry	D07	0	0	0	0	0	0	0	0	0	0
T05 Physics	D08	0	0	0	0	0	0	0	0	0	0
T06 Elem. Edu.	D09	0	0	0	0	0	56	0	0	0	56
T07 Second. Edu.	D10	0	0	0	0	0	0	0	0	0	0
T08 Phys. Edu.	D11	0	0	0	0	0	0	0	0	0	0
T09 Accounting	D12	0	0	0	0	0	0	19	0	0	19
T10 Economics	D13	0	0	0	0	0	0	0	0	0	0
T11 Marketing	D14	0	0	0	0	0	0	0	0	0	0
ANNUAL CREDIT HOUR TOTAL:		1111	871	629	479	316	1680	959	1109	797	7951

*Undecided.

Example - Lower Division History Discipline:

$$\frac{\text{Direct Expenditures} = \$20,539.}{\text{Semester Credits} = 893} = \text{Direct Unit Cost of } \$23.00$$

Step 6. Distribute Standard Direct Expenditures from the Instructional Activity Centers to Instructional Programs Via the IWLM

Each row of the IWLM provides a distribution of credits produced by one instructional activity center across all of the instructional programs of the institution. The direct expenditures for each activity center (IWLM row) are distributed to the programs in proportion to the credit hour distribution. (For an example, see Figure 8.)

Step 7. Develop Direct Unit Costs for Instructional Programs

Each column of the IWLM represents an instructional program at a specified student level. The direct expenditures lodged by Step 6 in the cells of a single column represent the total direct cost of the instructional program at the specific student level that the column depicts. When the total credits within an IWLM column are divided into the total direct expenditures for the column, the cost per program credit is obtained. This is the program unit cost.

Example - Upper Division Chemistry Program:

$$\frac{\text{Direct Program Expenditures} = \$45,012.}{\text{Program Credits} = 726} = \text{Direct Institutional Unit Cost of } \$62.00$$

If the institution wishes to arrive at the annual direct cost per FTE student major in a program, the direct unit cost may be multiplied by the institutional definition for a FTE student.

Step 8. Collect Allocation Parameter Data for Primary Activity Centers

In order to obtain full costs for primary activity centers, those support activity/cost centers that are not viewed as final cost objectives

Figure 8: Distributing Direct Expenditures from the Instructional Activity Centers to Instructional Programs Via the IWLM

		Social Science	English	Science
History	$20,000	400 $ 8,000	200 $ 4,000	400 $ 8,000
English	$30,000	300 $ 9,000	400 $12,000	300 $ 9,000
Biology	$40,000	300 $12,000	400 $16,000	300 $12,000
Total Direct	$90,000	$29,000	$32,000	$29,000

must be allocated across the primary activity centers. This procedure requires the use of the following allocation parameters:

1. Direct expenditures;
2. Instructional units; credit hours; and
3. FTE faculty;* and
4. FTE Students.

Data for each should be collected by department or by discipline. Direct expenditures are available from Step 7.

Step 9. Allocate Support Costs to Primary Activity Centers

Each support activity cost center that is not considered a final cost objective must be allocated across the appropriate primary activity centers and across other final cost objectives by means of a prescribed parameter. In this way, the full cost of each primary activity center can be developed. Figure 9 shows a list of the allocation parameters for each support cost center.

*For these cost procedures, "FTE faculty" is defined as the equivalent nine-, ten-, or twelve-month position that provides full salary. See "Full-time Personnel" in Appendix B.

Figure 9: Allocation Parameters for Each Support Cost Center

Activity Center	Method of Allocation
Library	FTE Faculty, FTE Students*
Other Academic Support	Direct Costs
Student Services	Instructional Unit (such as Student Credit)
Physical Plan Operations	Direct Costs
General Administration	Direct Costs
Student Aid	Instructional Unit

*Defined as 30 semester credit hour equivalents for undergraduates, 24 for graduates.

If the institution wishes to arrive at the annual full cost per FTE student major in a program, the full unit cost may be multiplied by institutionally-defined institutional units for an FTE student.

Other Procedural Considerations

Expenditures and Costs

There is, of course, a fundamental difference between costs or resources used and expenditures or funds used. But the financial statement should be used to identify costs. Using the AICPA "Audit Guidelines," current fund expenditures and transfers should be used as the basis for determining costs. These comprise:

1. All expenses incurred, determined in accordance with the generally accepted accrual method of accounting, except for the omission of depreciation;
2. Expenditures from current funds for renewals and replacements of equipment; and
3. Amounts transferred to plant funds as required for debt service, including principal, interest, and mandatory provisions for renewals and replacement of facilities.*

Several adjustments are appropriate to current expenditures in order to arrive at costs:

a. Omit expenditures for renewals and replacement of equipment that will be included in the use allowance or depreciation; retain all others;

b. Omit transfers to the plant fund in 3 above; and

c. Include any resources used, but not included in the financial statement, such as contributed services, state provided faculty and staff retirement, and donated space and facilities, at their

*Ref. 4, page 26.

full fair market value.*

Other adjustment should be made as appropriate to represent the total resources used by the institution. The use allowance or depreciation should include all buildings and equipment that are used by the institution, regardless of the source of funds used to purchase them.

Cost Components

Although the proposed interim national standard cost procedures do not require identifying the costs by functional component, most institutions do have a functional classification of expenditures. The functional classification suggested by NACUBO is shown in Figure 10.** To provide more useful information, the proposed cost procedures could be used for each expenditure component separately. By this procedure, the cost contribution of such components as general administration, student services, or operation and maintenance of plant, could be identified.

If an institution should elect to determine the cost components separately, it is suggested that the functional classifications of AICPA and NACUBO be followed. (But one should keep in mind that these may be modified somewhat in the near future as a result of current studies by the two organizations.)

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*Note: the value of contributed services is the full fair market salary of the faculty, less actual compensation. This adjustment is necessary for those institutions where faculty receive less than full compensation in order to represent the total resources used by the institution accurately.

**Ref. 14.

Figure 10: NACUBO Functional Classifications

Instruction and Departmental Research
Organized Activities Related to Educational Departments
Sponsored Research
Other Separately Budgeted Research
Other Sponsored Programs
Extension and Public Service
Libraries
Student Services
Operation and Maintenance of Plant
General Administration
General Institutional Expense
Student Aid

Student Aid

Student aid has been included in the program activity structure and the NACUBO functional classification. The costs of student aid (except administration) are not included as instructional costs. Student aid can be considered as a price reduction (via external subsidy), and internal price differential (where some pay more than others), an income redistribution mechanism, or a transfer payment. Although student aid is a "cost" to the institution in the sense of resources used, it cannot be included in the cost procedures, since the resulting cost would depend upon both the amount of resources used for instruction and the proportion of that cost being transferred or redistributed by the student aid process.

Summer School

According to the AICPA "Audit Guidelines," expenditures for summer school should be reported totally within the fiscal year in which the program is predominantly conducted.* Furthermore, unless summer school is a regular term, like the fourth quarter of an institution on the quarterly system, then the expenditures for summer school as identified in the institution's accounts should be used in lieu of special allocations. This means, in most cases, that summer school will in part be costed as an incremental activity or a by-product of the regular academic term.

For purposes of the proposed interim national procedures, summer school would be omitted, unless it contributes substantially to the institution's output.

Allocation of Indirect Costs

There are a number of different methods of allocating indirect costs. Some of these have a substantial effect on the final average costs. For this reason, the proposed interim national standard cost procedures use only a simple, single allocation procedure. This procedure permits differences in unit costs to represent the underlying use of resources rather than variances in cost allocation procedures.

All indirect costs, after chargebacks, except the library and student services are to be allocated based on the direct expenditures of each organization. Library expenditures are allocated based on full-time equivalent faculty and students, and student service expenditures and student aid are allocated based on student credit hours, contact hours, or courses. For purposes of this allocation, full-time equivalent is defined as the equivalent of 30 semester credit hours for under-

*Ref. 4, page 7.

graduates and 24 for graduates.

The resulting allocations relate library use to the number of students and faculty, and the use of student services to the approximate number of students.

The Induced Course Load Matrix

If costs are to be identified with student majors rather than full-time equivalent students or number of majors in a department, then some reasonably accurate method must be used to relate instruction in many different departments with the student major. This is done with the induced course load matrix (ICLM) and induced work load matrix (IWLM). Essentially, the ICLM gives the average number of credit, contact, or course units taken by a student major. Since costs can be determined by organizational entity for each semester credit hour of instruction, it is possible to identify average costs per student major.

Because of electives, student preparation, and student preferences, the composition of "the average student" will be continuously changing. So, for purposes of costing, the ICLM represents the mix of courses for a student major at the time the courses were taken. In most institutions, the ICLM represents the student's stated major, which may be different from his or her finally chosen major. But for costing purposes, there appears to be no better classification of students than their intended course of study at the time they made course choices.

There are some students who have indicated no choice of major; but most institutions have asked students to indicate a general preference and have constructed student majors of "Undecided, Social Sciences," "Undecided, Science and Engineering," and so forth, to provide additional accuracy. When students are not permitted to declare a major, like the first year at some institutions, a single major of "General" can be used.

The principal advantages of the ICLM approach is improved costing of student majors over institutional averages, identification of service loads for departments, and a description of student preferences.

Software Support

The procedures described in this report have been used, in the general form, by a number of institutions, and computer software exists for financial accounting, student records, and cost computations. The design of the procedures has been constrained so that most of the calculations could be done manually without much difficulty. But large institutions or those with complex programs should consider the use of computer techniques to get the job done economically.

Chapter III

Conclusions

Conclusions

These procedures are intended to best represent the underlying use of resources by institutions of postsecondary education for instruction. The procedures are the simplest that could be reasonably used to produce the desired per-student costs by level of instruction and field of study. In using these procedures, institutions should be aware that improvements in the procedures will parallel the experience institutions have in using such procedures. At the beginning, there will be few precedents. After some use, there will be examples of how specific cost assignments, distributions, and allocations were handled by other institutions with similar processes. The body of precedent will provide the basis for improvement of these procedures.

It is the recognition that improvements should be made that causes these procedures to be labelled "interim." Hopefully, some mechanism will become available not only to permit the results to be available to all institutions, but also to record, organize, and disseminate the experience and to improve continually the understanding and description of the use of resources.

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Appendix A

HEGIS Taxonomy of Instructional Programs

THE HEGIS TAXONOMY

Section 1. PCS Discipline Subcategories 0101-4999

(Alphabetical Index of PCS Program Subcategories)

CODE	TITLE
0502	Accounting
0506	Administration, Business
0827	Administration, Educational
2102	Administration, Public
0809	Administration, Special Education
0807	Adult Education
0604	Advertising
0902	Aeronautical Engineering
0902	Aerospace Engineering
1803	Aerospace Science
1116	African Languages (non-Semitic)
0305	African Studies
2211	Afro-American Studies
0112	Agricultural Business
0111	Agricultural Economics
0899	Agricultural Education
0903	Agricultural Engineering
0110	Agricultural Management
0101	Agriculture, General
0116	Agriculture Technologies
0102	Agronomy
2212	American Indian Cultural Studies
0313	American Studies
1909	Analytical Chemistry
0412	Anatomy
0104	Animal Science
2202	Anthropology
1009	Applied Design
1703	Applied Mathematics
1112	Arabic
2203	Archeology
0904	Architectural Engineering
0202	Architecture
0923	Architecture, Naval
1002	Art
1003	Art Appreciation
1009	Art, Commercial
0831	Art Education
1003	Art History
4903	Arts, General
4901	Arts and Science, General
0301	Asian Studies, General
0902	Astronautical Engineering
1911	Astronomy
1912	Astrophysics
1913	Atmospheric Sciences
1220	Audiology

CODE	TITLE
0403	Bacteriology
0504	Banking
2303	Biblical Languages
0414	Biochemistry
0905	Bioengineering
4902	Biological and Physical Sciences (Interdisciplinary)
0417	Biology, Cellular
0401	Biology, General
0418	Biology, Marine
0416	Biology, Molecular
1217	Biomedical Communication
0905	Biomedical Engineering
0419	Biometrics
0415	Biophysics
0419	Biostatistics
2211	Black Culture Studies
0402	Botany, General
0506	Business Administration
0112	Business, Agricultural
0517	Business Economics
0838	Business Education
0501	Business, General
0513	Business, International
0506	Business Management
0503	Business Statistics
1307	Cafeteria Management
1199	Catalan
0417	Cell Biology
0417	Cell Physiology
0916	Ceramic Engineering
1009	Ceramics
0906	Chemical Engineering
1905	Chemistry, General
1305	Child Development
1107	Chinese
1216	Chiropody
1221	Chiropractic
1010	Cinematography
0206	City Planning
0908	Civil Engineering
1504	Classics
1205	Clinical Dental Sciences
1207	Clinical Medical Sciences
2003	Clinical Psychology
1222	Clinical Social Work

CODE	TITLE
1219	Clinical Veterinary Medical Sciences
1303	Clothing
0801	Combined Elementary and Secondary Education
0838	Commerce Education
0501	Commerce, General
1009	Commercial Art
0605	Communication Media
0601	Communications, General
0909	Communications Engineering
0806	Community College Education
0206	Community Planning
2101	Community Services, General
0821	Comparative Education
1503	Comparative Literature
0704	Computer Programming
0701	Computer Sciences, General
0908	Construction Engineering
1304	Consumer Economics
0807	Continuing Education
2105	Corrections
0826	Counseling, Educational
2004	Counseling, Psychology for
1507	Creative Writing
2209	Criminology
0102	Crop Management
0829	Curriculum
0417	Cytology
0105	Dairy Science
1008	Dance
1114	Danish
0703	Data Processing
1506	Debate
2215	Demography
1213	Dental Hygiene
1205	Dental Specialities
1224	Dental Technologies
1204	Dentistry
2009	Developmental Psychology
1306	Dietetics
0838	Distributive Education
1007	Dramatic Arts
1002	Drawing
0836	Driver Education
1917	Earth Sciences, General
0302	East Asian Studies
0311	Eastern European Studies
0420	Ecology
2204	Economics
0111	Economics, Agricultural
0517	Economics, Business

CODE	TITLE
0813	Education of the Culturally Disadvantaged
0812	Education of the Deaf
0816	Education of the Emotionally Disturbed
0899	Education of Exceptional Children
0801	Education, General
0811	Education of the Gifted
0810	Education of the Mentally Retarded
0820	Education of the Multiple Handicapped
0819	Education of the Physically Handicapped
2304	Education, Religious
0814	Education of the Visually Handicapped
0827	Educational Administration
0825	Educational Evaluation
0825	Educational Measurement
0822	Educational Psychology
0824	Educational Research
0824	Educational Statistics
0828	Educational Supervision
0825	Educational Testing
0909	Electrical Engineering
0909	Electronics Engineering
0802	Elementary Education, General
0427	Embryology
0901	Engineering, General
0921	Engineering Mechanics
4904	Engineering and Other Disciplines (Interdisciplinary)
0919	Engineering Physics
0925	Engineering Technologies
1508	English as a Foreign Language
1501	English, General
1502	English, Literature
0421	Entomology
0201	Environmental Design, General
0922	Environmental Engineering
0922	Environmental Health
0310	European Studies, General
2002	Experimental Psychology (animal and human)
0837	Family Life Education
1305	Family Relations
0110	Farm Management
1009	Fashion Design
0102	Field Crops
0504	Finance

CODE	TITLE
1001	Fine Arts, General
1114	Finnish
0107	Fish Management
0109	Floriculture
1599	Folklore
1306	Foods and Nutrition
0113	Food Science
0113	Food Technology
1101	Foreign Languages, General
2210	Foreign Service Programs
1506	Forensic Science
0114	Forestry
0116	Forestry Technologies
1102	French
0108	Fruit Production
0107	Game Management
4901	General Liberal Arts and Sciences (Interdisciplinary)
0422	Genetics
1915	Geochemistry
2206	Geography
0911	Geological Engineering
1914	Geology
0912	Geophysical Engineering
1916	Geophysics
1103	German
1199	Germanic Languages, Other
2207	Government
1110	Greek, Classical
0826	Guidance, Education
1202	Health Care Administration
0837	Health Education
1201	Health Professions, General
0820	Hearing and Speech Impaired
1111	Hebrew
2104	Helping Services
0805	Higher Education, General
1113	Hindi
0413	Histology
2205	History
0821	History of Education
1302	Home Decoration
0899	Home Economics Education
1301	Home Economics, General
1302	Home Equipment
1304	Home Management
0108	Horticulture
1202	Hospital Administration
0508	Hotel Management
4903	Humanities and Social Sciences (Interdisciplinary)

CODE	TITLE
0104	Husbandry, Animal
0105	Husbandry, Dairy
0499	Ichthyology
1113	Indian (Asiatic)
0839	Industrial Arts Education
0913	Industrial Engineering
2008	Industrial Psychology
0516	Industrial Relations
0702	Information Sciences
0701	Information Sciences, General
0702	Information Systems
1906	Inorganic Chemistry
1307	Institutional Management
0829	Instruction
0512	Insurance
1009	Interior Decoration
0203	Interior Design
0199	International Agriculture
0513	International Business
2106	International Public Service
2210	International Relations
0505	Investments
0306	Islamic Studies
1104	Italian
1108	Japanese
1009	Jewelry
0602	Journalism
0806	Junior College Education
0804	Junior High School Education
0823	Kindergarten Education
1199	Korean
0516	Labor Relations
0204	Landscape Architecture
1101	Languages, Modern
1109	Latin
0308	Latin American Studies
2105	Law Enforcement
1401	Law, General
0822	Learning Theory
4901	Liberal Arts and Sciences (Interdisciplinary)
1601	Library Science, General
0499	Limnology
1505	Linquistics
1503	Literature, Comparative
1502	Literature, English
0506	Management, Business
0913	Management, Engineering

CODE	TITLE
0418	Marine Biology
0923	Marine Engineering
0509	Marketing
0915	Materials Engineering
0915	Materials Science
1703	Mathematics, Applied
0833	Mathematics, Education
1701	Mathematics, General
1702	Mathematics, Statistics
0910	Mechanical Engineering
1223	Medical Laboratory Technologies
1215	Medical Record Librarianship
1207	Medical Specialties
1206	Medicine
1899	Merchant Marine
0914	Metallurgical Engineering
1920	Metallurgy
1009	Metalsmithing
1913	Meteorology
2213	Mexican-American Cultural Studies
0411	Microbiology
0309	Middle Eastern Studies
1801	Military Science
0918	Mineral Engineering
0918	Mining Engineering
0911	Mining Geology
0416	Molecular Biology
1903	Molecular Physics
1005	Music (Liberal Arts Program)
1006	Music Appreciation
1004	Music, Composition
0832	Music Education
1006	Music History
1004	Music, Performing
2302	Music, Religious
1004	Music, Theory
1006	Musicology
0499	Mycology
0115	Natural Resources Management
0923	Naval Architecture
1802	Naval Science
0425	Neurosciences
1114	Norwegian
0920	Nuclear Engineering
1904	Nuclear Physics
0823	Nursery Education
0109	Nursery Science
1203	Nursing
0899	Nursing Education
0424	Nutrition, Scientific
1208	Occupational Therapy
0924	Ocean Engineering
1919	Oceanography
0507	Operations Research
1209	Optometry
1907	Organic Chemistry
0109	Ornamental Horticulture
0499	Ornithology
1210	Osteopathic Medicine
0314	Pacific Area Studies
1002	Painting
1918	Paleontology
0499	Parasitology
2103	Parks Management
0408	Pathology, Animal
0408	Pathology, Human
0404	Pathology, Plant
0515	Personnel Management
0907	Petroleum Engineering
0906	Petroleum Refining
1910	Pharmaceutical Chemistry
0409	Pharmacology, Animal
0409	Pharmacology, Human
0405	Pharmacology, Plant
1211	Pharmacy
1505	Philology
1509	Philosophy
0821	Philosophy of Education
1505	Phonetics
1011	Photography
1908	Physical Chemistry
0835	Physical Education
1901	Physical Sciences, General
1212	Physical Therapy
1902	Physics, General
2010	Physiological Psychology
0410	Physiology, Animal
0410	Physiology, Human
0406	Physiology, Plant
0404	Plant Pathology
0405	Plant Pharmacology
0406	Plant Physiology
1216	Podiatry
2207	Political Science
1199	Portuguese
0106	Poultry Science
0823	Pre-Elementary Education
0704	Programming, Computer
2003	Psychology, Clinical
2004	Psychology for Counseling
2009	Psychology, Developmental

CODE	TITLE
0822	Psychology, Education
2001	Psychology, General
2008	Psychology, Industrial
2010	Psychology, Physiological
2005	Psychology, Social
2006	Psychometrics
1506	Public Address
2102	Public Administration
1214	Public Health
0510	Public Utilities
0509	Purchasing
0603	Radio
0423	Radiobiology
1225	Radiologic Technologies
0117	Range Management
0830	Reading Education
0511	Real Estate
0514	Records Management
2103	Recreation Management
0206	Regional Planning
2004	Rehabilitation Counselor Training
1222	Rehabilitation Services
2304	Religious Education
2302	Religious Music
1510	Religious Studies
0817	Remedial Education
0508	Restaurant Management
0838	Retail Selling
1506	Rhetoric
1106	Russian
0307	Russian Studies
0836	Safety Education
0922	Sanitary Engineering
1199	Sanskrit
1114	Scandinavian Languages
0834	Science Education
0999	Science Engineering
4902	Sciences, General
1002	Sculpture
0803	Secondary Education, General
0514	Secretarial Studies
0505	Securities
1916	Seismology
1505	Semantics
1111	Semitic
1115	Slavic Languages (other than Russian)
0307	Slavic Studies
0821	Social Foundations of Education
2201	Social Sciences, General
2005	Social Psychology
2201	Social Sciences, General
2005	Social Psychology
2104	Social Work
2208	Sociology
0103	Soil Conservation
0103	Soil Management
0103	Soil Science
0303	South Asian Studies
0304	Southeast Asian Studies
1105	Spanish
0808	Special Education, General
0818	Special Learning Disabilities
1506	Speech
0815	Speech Correction
0820	Speech and Hearing Impaired
1220	Speech Pathology
1702	Statistics, Mathematical and Theoretical
2007	Statistics in Psychology
0826	Student Personnel
1114	Swedish
0705	Systems Analysis
0702	Systems, Information
1508	Teaching of English as a Foreign Language
0839	Technical Education
0603	Television
1009	Textile Design
0917	Textile Engineering
1303	Textiles, Home Economics
2301	Theological Professions, General
0821	Theory of Education
0426	Toxicology
0925	Trade Training
0510	Transportation
0908	Transportation Engineering
0205	Urban Architecture
2214	Urban Studies
1113	Urdu
0108	Vegetable Production
1218	Veterinary Medicine
1219	Veterinary Medicine Specialties
1199	Vietnamese
0499	Virology
0839	Vocational Education
1009	Weaving
0312	West European Studies
0107	Wildlife Management
1507	Writing, Creative
0407	Zoology, General

Section 2. PCS Discipline Subcategories 5001-5599)

(Alphabetical Index of PCS Program Subcategories-continued)

CODE	TITLE
5002	Accounting Technologies
5012	Advertising Design Technologies
5004	Advertising Technologies
5302	Aeronautical Technologies
5402	Agriculture Technologies
5317	Agriculture Electrification Technologies
5301	Agricultural Machinery and Equipment Technologies
5317	Air Conditioning Technologies
5004	Airport Management Technologies
5206	Animal Laboratory Assistant Technologies
5310	Appliance Repair Technologies
5012	Applied Arts Technologies
5304	Architectural Drafting Technologies
5306	Automotive Technologies
5302	Aviation Technologies
5003	Banking Technologies
5502	Bible Study
5205	Biological Laboratory Assistant Technologies
5008	Broadcasting Technologies
5317	Building Technologies
5101	Business Data Processing
5004	Business Management Technologies
5001	Business Technologies, General
5317	Carpentry Technologies
5305	Chemical Technologies
5309	Civil Technologies
5001	Commerce Technologies, General
5008	Communications Technologies
5104	Computer Operator Technologies
5104	Computer, Peripheral Equipment Operation Technologies
5103	Computer Programmer Technologies
5317	Construction Technologies
5505	Corrections Technologies
5006	Cosmetologist
5105	Data Processing Equipment Maintenance Technologies
5101	Data Processing Technologies, General
5202	Dental Assistant Technologies
5203	Dental Hygiene Technologies
5204	Dental Laboratory Technologies
5307	Diesel Technologies
5004	Distribution Technologies
5304	Drafting, Architectural
5503	Education Technologies
5317	Electrician Technologies
5217	Electro Diagnostic Technologies
5311	Electromechanical Technologies
5310	Electronics and Machine Technologies
5303	Engineering Graphics
5301	Engineering Technologies, General
5408	Environmental Health Technologies
5317	Environmental Control Technologies
5003	Finance Technologies
5012	Fine Arts Technologies
5507	Fire Control Technology
5403	Fisheries Technologies
5404	Food Services Technologies
5403	Forestry Technologies
5012	Graphic Arts Technologies
5201	Health Services Assistant Technologies, General
5317	Heating Technologies
5405	Home Economics Technologies
5402	Horticulture Technologies
5404	Hospital Food Service Technologies
5014	Hotel Management Technologies
5004	Industrial Management Technologies
5312	Industrial Technologies
5215	Inhalation Therapy Technologies
5102	Input Preparation Technologies

CODE	TITLE
5218	Institutional Management Technologies
5314	Instrumentation Technologies
5004	Insurance Technologies
5102	Key Punch Operator Technologies
5407	Laboratory Technologies, General
5402	Landscape Technologies
0802	Language Arts
5505	Law Enforcement Technologies
5504	Library Assistant Technologies
5009	Lithography Technologies
5303	Machine Drafting and Design Technologies
5310	Machine Repair Technologies
5004	Marina Management Technologies
5406	Marine Technologies
5004	Marketing Technologies
5315	Mechanical Technologies
5301	Mechanical Technologies, General
5214	Medical Assistant Technologies
5205	Medical Laboratory Assistant Technologies
5214	Medical Office Assistant Technologies
5213	Medical Record Technologies
5207	Medical X-Ray Technician
5216	Mental Health Aide Programs
5399	Metallurgical Technologies
5401	Natural Science Technologies, General
5008	Newspaper Communication Technologies
5316	Nuclear Technologies
5209	Nursing, Practical
5208	Nursing R.N. Preparation
5210	Occupational Therapy Technologies
5406	Oceanographic Technologies
5212	Ocular Care Technologies
5310	Office Machine Repair Technologies
5005	Office Machines Training
5212	Opthalmic Technologies
5212	Optical Technologies
5212	Optometric Technologies
5006	Personal Service Technologies
5004	Personnel Management Technologies
5312	Petroleum Technologies
5309	Photogrammetry Technologies
5007	Photography Technologies
5219	Physical Therapy Technologies
5305	Plastics Technologies
5317	Plumbing Technologies
5505	Police Technologies
5009	Printing Technologies
5315	Production Technologies
5103	Programmer Technologies
5216	Psychiatric Technologies
5508	Public Administration and Management Technologies
5408	Public Health Inspection Technologies
5501	Public Service Technologies, General
5011	Public Utility Technologies
5004	Purchasing Technologies
5008	Radio Broadcasting Technologies
5310	Radio Repair Technologies
5207	Radiologic Technologies
5004	Real Estate Technologies
5506	Recreation Technologies
5502	Religion Related Occupations
5218	Rest Home Management Technology
5010	Restaurant Management Technologies
5004	Sales Technologies
5408	Sanitation Technologies
5101	Scientific Data Processing
5005	Secretarial Technologies
5317	Sheet Metal Technologies
5506	Social Work Related Technologies
5006	Stewardness Preparation
5211	Surgical Technologies
5309	Surveying Technologies
5101	Systems Analyst Technologies
5503	Teacher Aide Preparation
5008	Television Broadcasting Technologies
5310	Television Repair Technologies
5313	Textile Technologies
5303	Tool Design Technologies
5011	Transportation Technologies
5303	Welding Technologies
5[illegible]	Wildlife Technologies
5207	X-Ray Technologies

Appendix B

Glossary

529-911 O - 74 - 5

This glossary is based on excerpts from the Field Review Edition of Information Exchange Procedures by Nancy K. Renkiewicz and James R. Topping (Boulder, Colorado: National Center for Higher Education Management Systems at WICHE, November 1973). The few changes from the definitions as given in that document are indicated through footnotes. The glossary in the IEP Manual is more extensive, and the examples in the text of that publication may be useful in interpreting the definitions cited here.

This glossary is more extensive than required to use the proposed interim national per-student cost procedures. But it has been reproduced as a convenience to the user who may, during implementation, find the additional definitions useful.

GLOSSARY

Term	Description
Academic Year	A consecutive period of time that is institutionally designated as the academic year. An academic year may be equivalent to a fiscal year or may include only some of the sessions during which course work is offered. Most typically, an academic year is equated to two semesters, three quarters, two trimesters, or the period of time covered by the 4-1-4 plan.
Activities	A collection of similar functions performed by persons in an institution or program of postsecondary education. The collection of functions may be summarized at a high level of aggregation, such as Instruction or Organized Research, or at a lower level of aggregation, such as Lower Division History.
Activity Analysis	A procedure by which personnel compensation dollars and service months are distributed to PCS Activity Centers.
Activity Center	A particular level of aggregation of functions, based on the Program Classification Structure, performed by persons in an institution. See Activities.
Administrative/ Support Personnel	All personnel classified as exempt under the Fair Labor Standards Act with the majority (more than 50%) of their activities in programs 4.0, 5.0, 6.0, and 9.0.
Assignable Area	The sum of all areas of all floors of a building assigned to or available for assignment to an occupant; includes every type of space functionally usable by the occupant excepting those spaces defined as custodial, circulation, mechanical, and structural areas.
Assignable Square Feet	The floor area of the room, measured between the principal surface of the walls and partitions at or near floor level.

Term	Description
Assistant Professor	See Rank.
Associate Degree	See Degree/Diploma/Certificate Types.
Associate Professor	See Rank.
Award Date	The calendar day or month/year when a degree/diploma/certificate was awarded to a student.
Book Value	The dollar amount carried by the institution on its financial records as the original capital cost (including cost of capital improvements, fixed equipment, and development cost).
Building Additions	Those expenditures made primarily to enlarge or expand existing facilities and/or significantly alter their function.
Buildings	Facilities permanently affixed to the land, including their associated heating and air-conditioning systems, electrical and sound systems, plumbing and sewer systems, and elevators and other fixed equipment. The historical cost of buildings is defined as the original acquisition cost of the building plus the cost of any subsequent additions to the building.
Calendar System	See Predominant Calendar System.
Calculated Use Charge for Capital Assets	The annual depreciation of the asset plus the annual interest forgone on the investment in that asset.
Capital Asset	Any physical resource that benefits a program for more than one operating period; includes land, improvement to land, buildings, additions to buildings, and capital equipment.
Capital Equipment	Those items of movable property (that which is not permanently attached to a structure) that have an acquisition cost of $500 or more and an expected life that exceeds two years.

Term	Description
Census Date	The designated day in an academic term, after most add/drops have been completed, when the institution takes official enrollment counts (typically sometime between the second and fourth week of classes).
Certificate	See Degree/Diploma/Certificate.
Chart of Accounts	A systematically arranged list of institutional accounts that reflect various fiscal activities recorded in the institution's fund accounting system.
Classroom	See Room Use Categories.
Classroom Laboratory	See Room Use Categories.
Clear Status at Exit	See Termination Status.
Collective Bargaining Agreement	The agreement reached between an employer and the union or employee organization representing employees which embodies the terms and conditions of employment agreed upon in collective bargaining. Ordinarily the agreement is written and is effective for a definite period. See Labor Law Course (Chicago, Illinois: Commerce Clearinghouse, 1972).
Compensation	The total amount of dollars, inclusive of gross salaries and fringe benefits, paid directly to or on behalf of personnel. See Salaries and Fringe Benefits.
Continuing Education Unit	Ten individual contact hours of participation in an organized educational activity in which the sponsor, course content, format, and person in charge of the learning experience are clearly identified as the minimum criteria to establishing the validity of the Continuing Education Unit.
Course Enrollment	A unit of measure that represents one student enrolled in one course or one section of a course.

Term	Description
Course Identifier	The official institutional number or other code that serves uniquely to identify a course.
Course Level	The institutional categorization for the level of offering of a specific course; the categorization is generally derived from the level of student to which any particular course offering within a discipline is primarily directed. Multiple level courses should be assigned a course level that most represents primary intent of the course. For the NCFPE Cost Procedures, three course levels are specified within each discipline*: (1) Lower Division: Course offerings at a level of comprehension usually associated with freshman and sophomore students. (2) Upper Division: Course offerings at a level of comprehension usually associated with junior and senior students. The jointly offered upper division graduate courses should be classified as upper division. (3) Graduate: Course offerings at a level of comprehension usually associated with post-baccalaureate students.
Course Title	The official name for a course as it appears in the institutional catalog.
Craft or Trade Certificate	See Highest Academic Degree - Personnel.
Credit Course	A course offered by an institution for which at least one semester credit or fraction thereof, or its equivalent, is awarded to a student who completes the course.

*NCHEMS has two graduate levels: Graduate I and Graduate II.

Term	Description
Crossover Procedure	A procedure whereby the activities supported by the expenditures recorded in a fund accounting system are matched with the same activities associated with PCS Activity Centers.
CUBA Functional Categories	Expenditure categories as developed in College and University Business Association (ACE: 1968): Instruction and Departmental Research Organized Activities Related to Educational Departments Sponsored Research Other Separately Budgeted Research Other Sponsored Programs Extension and Public Service Libraries Student Services Operation and Maintenance of Physical Plant General Administration General Institutional Expenses Auxiliary Enterprises Student Aid Hospitals
Current Funds Expenditures	Funds expended for current operating purposes, either restricted or unrestricted.
Current Funds Revenues	Categories that classify current funds revenue by source; included are: (1) Tuition and Fees (2) Governmental Appropriations (3) Governmental Grants and Contracts (4) Private Gifts, Grants and Contracts (5) Endowment Income (6) Sales and Services of Educational Activities (7) Sales and Services of Auxiliary Enterprises (8) Sales and Services of Hospitals (9) Other Sources

Term	Description
Degree/Diploma/ Certificate	Awards or titles conferred upon students for the completion of a course of study or program. For NCHEMS IEP/NCFPE purposes, the following categorizations will be used: (1) Certificates and Diplomas (less than one year): An award for the successful completion of a course of study or program offered by a postsecondary institution. Certificates and diplomas in this category are awarded for completion of any program covering any time span less than one academic year. (2) Certificates and Diplomas (more than or equal to one year): An award for the successful completion of a program offered by a postsecondary institution. Certificates and diplomas in this category are awarded for completion of any program covering any time span between one academic year and two academic years. (3) Associate Degree (two years or more): The degree granted upon completion of an educational program less than baccalaureate level and requiring at least two but less than four academic years of college work. (4) Bachelor's Degree: Any earned academic degree carrying the title of "bachelor". (5) First Professional Degree: The first earned degree in a professional field. For the purposes of IEP, only the following degrees should be included: (a) M.D. (b) D.O (c) L.L.B. or J.D. (if J.D. is the first professional degree) (d) D.D.S. (e) D.V.M.

Term	Description
	(f) O.D. (g) B.D., M.Div., Rabbi (h) Pod.D., P.M. (6) Master's Degree: Any earned academic degree carrying the title of "master". In liberal arts and sciences, the degree customarily granted upon successful completion of one or two academic years of work beyond the Bachelor's. In professional fields, an advanced professional degree beyond the first professional which carries Master's designation, such as L.L.M., M.S. (Master of Surgery), M.S.W. (Master of Social Work). (7) Doctoral Degree: An earned academic degree carrying the title of "doctor". Not to be included are first professional degrees such as M.D., D.D.S. (8) Other/Specify: Includes all other categories of degrees/diplomas/certificates that cannot be categorized in any of the preceding categories, such as specialist degrees for work completed toward a certificate, like Educational Specialist.
Degree/Diploma/Certificate Programs	Courses of study offered by the institution for which a degree/diploma/certificate is awarded when the course of study has been completed.
Degree/Diploma/Certificate Program Completers	Students who have met all institutional and course of study requirements for eligibility to be awarded a degree/diploma/certificate by the institution. Program completers may be classified as follows: (1) Degree/Diploma/Certificate Program Recipients: A student who is awarded a degree/diploma/certificate from the institution.

Term	Description
	(2) Other Degree/Diploma/Certificate Program Completers: A student who has met all requirements for a degree/diploma/certificate and is eligible to receive the award but has not completed necessary administrative procedures to be granted the award (for example, has not filed for the award).
Degree/Diploma/Certificate Program Non-Completers	A degree/diploma/certificate program student who leaves the institution prior to completing his/her program.
Degree/Diploma/Certificate Student	A student who has been admitted to a general or specific course of study or program at the completion of which a degree/diploma/certificate is awarded by the institution. Students who have not yet declared a major (such as indicated the specific course of study they will follow) should still be classified as degree/diploma/certificate students.
Diploma	See Degree/Diploma/Certificate.
Direct Costs	Direct costs are defined as the sum of Instruction/Research/Public Service Compensation, Administrative/Support Compensation, Other Staff Compensation, and Supplies and Services costs that have been assigned to PCS activity centers residing in 1.0, 2.0, 3.0, 4.0, 5.0, 6.0, and 9.0. Specifically excluded from total direct costs are Current Expenditures for Capital Assets, 7.0 (Independent Operations) and 8.0 (Student Aid).
Discipline	Disciplines are categorized according to the standard taxonomy of fields of study used in the Higher Education General Information Survey (HEGIS) published by the National Center for Educational Statistics under the title A Taxonomy of Instructional Programs in Higher Education (Huff and Chandler, 1970). It will be referred to as the "HEGIS Taxonomy."

Term	Description
Discipline Semester Credits	The number of semester credits attempted by all students in a particular discipline at a particular student level.
Doctorate	See Degree/Diploma/Certificate.
Equipment	See Capital Equipment or Non-Capital Equipment.
Exempt Personnel	Persons who are not eligible for overtime payment as stipulated in the provisions of the Fair Labor Standards Act (FLSA).
FAA	Faculty Activity Analysis.
Faculty	Any exempt personnel with the majority (50% or more) of their activities in 1.0, 2.0, 3.0 of the Program Classification Structure. (Instruction/Research/Public Service Personnel.)
Faculty Contact Hours	A unit of measure that represents one hour of instructional staff time spent in contact with a section or course in one week. An inputed contact hour should be attributed to unscheduled courses. Total Faculty Contact Hours for a course level within a discipline are calculated by summing the number of hours per week each course or section is scheduled to meet and aggregating the totals by course level.
Faculty Rank	See Rank.
FICE Code	The Federal Interagency Committee on Education code, an unstructured number that is unique for each institution and remains as the institutional identification number for the life of the institution. The primary utility of the FICE code is the precise identification of a particular institution of higher education.

Term	Description
Financial Aid	Includes all grants, loans, or federal work-study assistance made to students that are either awarded by and/or administered through the institution. This aid can be federally, state, locally, privately or institutionally derived. Student Aid is a Subset of Financial Aid. See Student Aid. (1) Grants: All stipends, tuition and fee remissions and gifts to students that are outright awards and not contingent upon services to be rendered by the student. Includes all fellowships and scholarships to graduates or undergraduates. Also included are any funds from specialized training grants that are specifically designated for stipends as well as tuition waivers or refunds as long as the grant is need based. The Educational Opportunity Grants (EOG) would be included here. (2) Loans: Funds made available on a loan basis to students for assistance. The source of these funds may be gifts, endowment income, other institutional funds, private sources and/or appropriations of governmental agencies. National Defense Student Loans would be included here. Excluded are short-term loans (usually three months) that are available to all students regardless of need. (3) Work-Study Assistance: The extension of financial aid support to students through the College Work/Study Program in which the federal government contributes partial monies for the payment of services rendered by students and required for financial assistance.
Financial Aid Applicant	An enrolled student who has applied for financial aid. See Financial Aid.

Term	Description
Financial Aid Recipient	An enrolled student who has received one or more forms of financial aid. See Financial Aid.
First Professional Degree Student	A student pursuing his/her first professional degree. See Degree/Diploma/Certificate Types and Student Level.
Fiscal Year	The institutionally defined consecutive twelve-month period for which a financial transaction or summary is available.
Forgone Interest	The annual interest forgone as a result of having money invested in a particular capital asset.
Four-One-Four System	See Predominant Calendar System.
Four-Year Institution	See Institution Type.
Fringe Benefits	An element of compensation that may include the following items (illustrative only). Fringe benefits should include all benefits paid to personnel, regardless of whether the benefits or equivalent cash options are available to all. (1) Social Security: If covered by Social Security, include appropriate FICA tax. If covered by an alternative plan, such as PERA, include the appropriate payments. (Definition applies to all types of employees.) (2) Retirement: Include all contributions made to a retirement fund regardless of vesting requirements. (3) Medical Insurance: Include payments to provide medical insurance to the employee(s). (4) Life Insurance: Include payments made to provide life insurance for the employee(s).

Term	Description
	(5) Guaranteed Disability Income Protection: Include contributions, through insurance or otherwise, for prolonged disability income payments, providing such payment do not arise from the accumulation of unused annual sick leave benefits.
	(6) Unemployment Compensation: Include payments to be made under the Unemployment Compensation law.
	(7) Workmen's Compensation: Include payments to be made under Workmen's Compensation laws.
	(8) Other Benefits: Personal benefits are to be included. Included in this category are tuition and housing benefits (such as tuition waivers). Benefits of a professional nature (such as convention travel, membership fees, grading assistance, and faculty clubs) should be included as a fringe benefit; rather these items ought to be included as Supplies and Services of the appropriate activity center.
FTE Service Months	Full-time Equivalent Service Months. Determined by multiplying the individual's amount of workload times the number of months specified in his/her contract.
Full Costs	The sum of direct costs and allocated support costs for an activity center or group of activity centers.
Full-time Personnel	Those who are designated as "full-time" in an official contract, appointment or agreement. Individuals who are on sabbatical leave should be included as full-time, if that was the status of their employment prior to sabbatical.
Full-time Students	Those students, regardless of level or program, registered for at least 75% of a normal load required to complete a student's

Term	Description
	program or course of study within the normal time. As used in the NCFPE Procedures, 30 semester credit units, or equivalent, for undergraduates and 24 for graduates.
General Use Facilities	See Room Use Categories.
Geographic Origin at First Attendance	Geographic origin is defined as the legal residence at the time of original admission to the institution. This designation never changes, irrespective of tuition considerations. (1) In-District Students: Students who live within a junior college district and are attending the junior college in the district of their residence. (2) In-State Students: Students who attend an institution in the state in which they are legally domiciled. Not included in this category are In-District Students. (3) Out-of-State Students: Students who attend an institution that is outside the state in which they are legally domiciled. Foreign students are Out-of-State Students.
Graduate Assistant	See Rank.
Graduate Course	See Course Level.
Graduate Student	See Student Level (a combination of Graduate I, Graduate II and First Professional Student Levels).
Grants	See Financial Aid.
Gross Area	The sum of all floor areas of a building based on exterior dimensions.
Headcount Student Enrollment	An unduplicated count of the number of students enrolled in a specific term or session, fiscal year, or program without regard to the course load being carried.
Health Care Facilities	See Room Use Categories.

529-911 O - 74 - 6

Term	Description
HEGIS	Higher Education General Information Survey. The annual survey of all institutions of higher education conducted by the National Center for Educational Statistics.
HEGIS Taxonomy	A classification of instructional disciplines developed by the National Center for Educational Statistics, Office of Education, Washington, D. C., and used in conjunction with the PCS Activity Center 1.0 for NCHEMS-IEP/NCFPE; also used to categorize student programs.
High School Diploma or G.E.D.	See Highest Degree/Diploma/Certificate - Personnel.
Highest Degree/Diploma/ Certificate Earned	The following are categories of degrees: (1) No Academic Credential: Less than a High School Diploma or its equivalent (such as General Education Diploma) earned. (2) High School Diploma or G.E.D.: An academic award granted for completion of a high school program or its equivalent (like a G.E.D., General Education Diploma). (3) Craft or Trade Certificate: An award for the completion of a program that offers special training in a craft or trade area; typically, the program covers a span of less than one year. (4) Professional Certificate: An award signifying completion of a program in a professional field; included might be educational specialists, paramedicals, and teacher aids; typically the program covers a span of two years or less and involves course work below the Graduate level. (5) Associate Arts Degree: See Degree/ Diploma/Certificate Types.

Term	Description
	(6) Bachelor's Degree: See Degree/Diploma/Certificate Types.
	(7) Professional Degree: A degree signifying the completion of a program in a professional field: M.D., D.O., L.L.B. or I.D., D.D.S., D.V.M., D.D., B.D. or M. Div. or Rabbi, Pod.D., P.M.
	(8) Master's Degree: See Degree/Diploma/Certificate Types.
	(9) Doctoral Degree: See Degree/Diploma/Certificate Types.
Identification Number	The official institutional number that serves to uniquely identify an individual.
In-District Students	See Geographic Origin at First Attendance.
Individual Study Laboratory	See Room Use Categories.
In-State Students	See Geographic Origin at First Attendance.
Institution	See Unit Described. Whenever the term "institution" is used in the Glossary or other parts of the manual, it is synonymous with Unit Described, except in the case of Institution Name. See Institution Name.
Institution Name	The legal name of the institution. The name excludes campus names denoting location, branch and/or extension. Examples include: (a) University of California, (b) Miami Dade Community College and (c) Earlham College.
Institution Type	Refers to the kinds of degree/diploma/certificates awarded by the Unit Described:
	(1) Associate Degree Granting: The highest degree awarded is the Associate of Arts, Associate of Applied Sciences, or other similar degrees.
	(2) Baccalaureate Degree Granting: The highest degree awarded is the B.A., B.S., or other similar degree.
	(3) Master's Degree Granting: The highest degree awarded is Master's Degree or First Professional or other similar degrees.

Term	Description
	(4) Doctorate Degree Granting: Institutions that award doctorate degrees.
Institutional Chart of Accounts	See Chart of Accounts.
Institutional Housing	Housing that is administered by and under the ultimate control of the institution. This category does not include housing on institutional property administered by private concerns, fraternal organizations, or other non-institutional parties.
Institutional Structure	The type of structure in which the institution resides. The following conventional descriptors have been developed to describe common types of structures used in NCHEMS-IEP/NCFPE: (1) Single Campus Institution: A structure having only one campus. (2) Main Campus plus Branch(es) and/or Extension(s): A structure consisting of one parent campus plus any number branch campuses or extension centers. (3) Multi-Campus System: A structure consisting of several administratively equal campuses often controlled by one central office. (4) Other Institutional Structure: This category should be used for other structures not accounted for in the above distinctions.
Instructor	See Rank.
Instructor Identifier	A unique number used by an institution to identify all personnel who engage in instructional activities.
I/R/PS Personnel	Instruction/Research/Public Service Personnel. Any exempt personnel with the majority (more than 50 %) of their activities in 1.0, 2.0, 3.0, of the Program Classification Structure.

Term	Description
IWLM	The Instructional Work Load Matrix, a matrix that defines the relationships between student programs and instructional activity centers providing credit instruction to students. For the NCFPE Cost Procedures, the IWLM is used to develop direct costs per program semester credit by student program and student level.
Land	Real property together with all improvements other than buildings. Improvements to land include streets, roads, sidewalks, bridges, outside lighting, irrigation systems, trees, plantings, landscaping, parking lots, fencing, and improvements to athletic fields and recreational areas.
Lecturer	See Rank.
Legal Identity	The constituency to which the institution has primary legal responsibility: (1) Public: Control of policy and funding originating directly or indirectly from a constitutionally-defined form of government. (2) Private: Control of policy and funding originating primarily from a non-governmental entity. (3) Other (Specify): Control of funding and/or policy originating from a combination of governmental and non-governmental entities.
Loans	See Financial Aid.
Lower Division Course	See Course Level
Lower Division Student	See Student Level.
Main Campus Plus Branch(es) and/or Extension(s)	See Institutional Structure.

Term	Description
Mandatory Transfers	Includes all transfers from one fund group to another which must be made to fulfill the terms of binding legal obligations of the institution.
Master's Degree	See Degree/Diploma/Certificate Types.
Multi-Campus System	See Institutional Structure.
NCFPE	National Commission on the Financing of Postsecondary Education, a congressionally-authorized, presidentially-appointed commission responsible for proposing national standard per-student costs.
NCHEMS	National Center for Higher Education Management Systems.
Need-Based Financial Aid	Financial aid awarded to students because of economic need and not because of academic achievement or group membership. This type of aid presumes the submission of a parent's income statement or the income statement of an Independent Student.
No Academic Credential	See Highest Degree/Diploma/Certificate Earned.
Non-Assignable Area	The sum of the circulation, custodial, mechanical, and structural areas.
Non-Capital Equipment	Those items of property that have an acquisition cost of less than $500 or an expected service life of less than two years.
Non-Classroom Laboratory	See Room Use Categories.
Non-Degree/Diploma/ Certificate Student	A student who has not been admitted to a general or specific course of study or program in the institution at the completion of which a degree, diploma, or certificate is awarded by the institution. These students may be enrolled in credit and/or non-credit courses. They should not be confused with "undeclared majors" admitted to degree/ diploma/certificate programs.

Term	Description
Non-Mandatory Transfers	Includes all transfers that are made at the direction of the institution's governing board.
Normal Student Load	The number of credit hours (or other units required for graduation) divided by the number of semesters, quarters, etc. normally taken in a degree/diploma/certificate program.
Normal Time to Complete a Student Program	An institutionally-specified number of semesters or semester calendar equivalents denoting the number of semesters defined as "normal" for the completion of requirements for each student degree/diploma/certificate program offered.
Not Clear Status	See Termination Status
Occupancy	See Regular Occupancy and Overcapacity Occupancy.
Office Facilities	See Room Use Categories.
Organizational Unit	An academic department or other organizational division that has fiscal, programmatic, and administrative responsibility for a specific set of activities.
Other Staff	All personnel classified as non-exempt under the Fair Labor Standards Act.
Out-of-State Students	See Geographic Origin at First Attendance.
Overcapacity Occupancy	The number of students in student housing in non-permanent space that does not meet the standard for permanent occupancy and from which an eventual move will be necessary.
Part-Time Personnel	Those personnel who are designated as "part-time" in an official contract, appointment, or agreement.
Part-Time Students	Those students registered for less than 75% of a normal load required to complete a student's program or course of study within the normal time.

Term	Description
Payroll Account Number	The number(s) assigned to each individual that designates the account from which an individual's salary(ies) is (are) paid.
PCS Activity Center	See Activity Center.
Predominant Calendar System	The method by which the institution structures most of its courses for the calendar year. The following systems are included in NCHEMS-IEP/NCFPE: (1) Quarter: The quarter calendar consists of three quarters with about twelve weeks for each quarter of instruction. There may be an additional quarter in the summer. (2) Semester: The semester calendar consists of two semesters during the typical academic year with about sixteen weeks for each semester of instruction. There may be an additional summer session. (3) Trimester: The trimester calendar is composed of three terms with about fifteen weeks for each term of instruction. (4) 4-1-4: The 4-1-4 calendar is composed of four courses taken for four months, one course taken for one month, and four courses taken for four months. There may be an additional summer session. (5) Other (Specify): Describe predominant calendar systems that are not defined by any of the above terms.
Private Institution	See Legal Identity.
Professional Certificate	See Highest Degree/Diploma/Certificate Earned.
Professional Degree	See Highest Degree/Diploma/Certificate Earned.

Term	Description
Professor	See Rank.
Program Classification Structure	The Program Classification Structure is a means of identifying and organizing the activities of postsecondary education institutions in a program oriented manner.
Program Semester Credit	All discipline semester credits taken by a student major at a particular student level.
Public Institution	See Legal Identity.
Quantitative Score	See Test Scores.
Quarter System	See Predominant Calendar System.
Random Sampling	A selection process where units or persons in a population are randomly selected for inclusion in a sample of that population. See any beginning statistics textbook for a full description of random sampling procedures.
Rank	The institutionally-designated official title or grade of faculty. For IEP-Phase I, the following faculty rank designations will be used: (1) Professor: Faculty designated by the rank of professor. (2) Associate Professor: Faculty designated by the rank of associate professor. (3) Assistant Professor: Faculty designated by the rank of assistant professor. (4) Instructor/Lecturer: Faculty designated by the rank of instructor/lecturer. (5) Teaching or Research Assistant/Associate: Faculty designated as teaching assistant/associate. Generally created for and staffed

Term	Description
	by people with graduate status at the employing institution. May also be known as Teaching Fellows, Associates or Graduate Assistants.
	(6) Undesignated: Faculty who: (a) are assigned a specific rank but are classified as faculty or some other term to designate instructional status, (b) are especially designated faculty not included in the rank categories. These would include visiting scholar and other special ranks.
Regular Occupancy	The number of students occupying space that meets standards for permanent occupancy from which no move is involved.
Regular Session	An institutionally designated period of time during which course work is offered by the institution. Typically, a regular session includes a semester, a quarter, a trimester, or one part of a 4-1-4 calendar system; typically exlcuded are special short-term sessions or special summer sessions. Regular sessions usually take place during the institution's academic year.
Regular Session Enrollments	Headcount of student enrollment as of the census date for each regular session of the academic year.
Renovations	Those expenditures made primarily to restore or repair facilities without making significant changes in function and without actually increasing the size or capacity of the facility.
Residential Facilities	See Room Use Categories.
Restricted Revenues	Includes only those monies expended during the reporting period for a purpose specified by the donor as a precondition for their receipt by the institution.
Revenues	See Current Funds Revenues.

Term	Description
Room Use Categories	Standard categories which describe the use of particular assignable areas: (1) Classroom: A room used by classes that do not require special purpose equipment for student use. (2) Class Laboratory: A room used primarily by regularly scheduled classes that require special-purpose equipment for student participation, experimentation, observation, or practice in a field of study. (3) Special Class Laboratory: A room used primarily by informally (or irregularly) scheduled classes that require special purpose equipment for student participation, experimentation, observation, or practice in a field of study. (4) Individual Study Laboratory: A room used primarily for individual student experimentation, observation, or practice in a particular field of study. (5) Non-Class Laboratory: A room used for laboratory applications, research, and/or training in research methodology that require special-purpose equipment for staff and/or student experimentation or observation. (6) Office Facilities: A room used by faculty, staff, or students working at a desk (or table). (7) Study Facilities: Rooms used: (a) to study books or audio/visual materials, (b) to provide shelving for library or audio/visual materials, (c) as a combination of reading room and stacks, (d) as a reading/study room, stack, or open stack reading room as a supporting service to such rooms, or (e) to serve activities in reading/study rooms, stacks, open stack reading rooms, or processing rooms.

Term	Description
(8)	Special Use Facilities: Rooms used: (a) as an armory, (b) an armory service, (c) for athletic/physical education activities, (d) for athletic facilities spectator seating, (e) for direct service to an athletic/physical education facility, (f) for audio/visual, radio, TV production, distribution, service, (g) for the diagnosis and/or treatment of patients in a program other than medicine, dentistry, and student health care and rooms that support these activities, (h) to practice the principles of certain disciplines, such as teaching and home economics, (i) as demonstration facilities and (j) as field buildings such as agricultural, meteorological, etc., shelters for animals, and greenhouses.
(9)	General Use Facilities: Rooms used as assembly, exhibition, food, lounge, merchandising, recreation, meeting, and locker room facilities or rooms which directly serve these facilities.
(10)	Supporting Facilities: Rooms used for data processing/computer, manufacture/repair/maintenance of products or equipment, storage (materials, vehicles), food processing or storage, and cleaning/washing/drying/ironing linens, etc., or rooms that directly serve these facilities.
(11)	Health Care Facilities: This category includes health care facilities for humans as well as animals; included are patient bedrooms and baths, nurses' stations, surgery and treatment rooms, rooms used for diagnostic support services, supplies storage areas and public waiting rooms.
(12)	Residential Facilities: This category includes facilities that serve as student and faculty housing (such as

Term	Description
	sleeping rooms, apartments, houses). Excluded are rooms that serve residential activities, such as office space and foot facilities.
	(13) Unclassified Facilities: This category includes rooms not assigned, undergoing remodeling or alternation, or not completely finished in construction at the time of inventory.
Salary	The gross salary or wages paid to personnel, excluding any fringe benefits.
Section Identifier	An institutionally-defined unique identifier for each course section offered.
Section Size	The number of students enrolled in a section of a course.
Semester Credit	A unit of measure that represents one student engaged in an instructional activity for a semester for which one credit or fraction thereof is granted toward a degree, diploma, or certificate upon completion of the activity.
Semester Credit Equivalent	A unit of measure that represents the equivalent of one student engaged in an instructional activity for a semester for which one credit or fraction thereof is granted toward a degree, diploma, or certificate upon completion of the activity (e.g., 1 semester credit = 1.50 quarter hours).
Semester Credits Attempted	The total semester credits or semester credit equivalents generated by a group of courses or students as of the census date of the institution. Semester Credits Attempted exclude credits attempted by academic exemption test (e.g., CLEP).
Semester System	See Predominant Calendar System.

Term	Description
Service Months	The actual number of full-time equivalent months worked by one person during a fiscal year. Service months include time worked, regardless of pay period (e.g., 12 monthly checks for 10 "service months" of work).
Sex	The sex of a person; male or female.
Single Campus Institution	See Institutional Structure.
Special Classroom Laboratory	See Room Use Categories.
Special Session	Special sessions include summer sessions and special interim sessions not in common with regular sessions as designated by the institution. Special session enrollments are shown in the Participant Section of this manual.
Special Use Facilities	See Room Use Categories.
Student Age	The chronological age of a student as of the fall term census date of the institution.
Student Aid	Includes only outright grants made to students as defined under grants within Financial Aid. Does not include loans or work-study assistance.
Student Enrollment Status	See Enrollment Status.
Student Identification Number	A number assigned to students that uniquely identifies a particular student.
Student Level	Refers to the total accredited work by a student and reflects his or her level of progress toward a degree, diploma, or certificate. Four student levels are specified for NCHEMS-IEP/NCFPE: (1) Lower Division: Includes all students who are enrolled in programs leading to an associate degree (including three-year associate degree

Term	Description
	programs) or in undergraduate occupational or vocational programs of three or less years duration; and all other undergraduate students who have earned less than 50 percent of the number of academic credits normally required for a four-year Bachelor's degree (typically classified as freshmen and sophomores).
(2)	Upper Division: Includes all undergraduate students who are not in associate degree or occupational-vocational programs and who have earned 50 percent or more of the academic credits normally required for a Bachelor's degree (typically classified as juniors and seniors). Includes students in years three, four, and five of five-year Bachelor's degree programs.
(3)	First Professional: Includes all students who are pursuing any one of the following "first professional" degree programs: M.D., D.O., L.L.B. or J.D. (if J.D. is the first professional degree), D.D.S., D.V.M., O.D., B.D., M.Div., Rabbi, Pod.D., P.M. Students enrolled in undergraduate "pre-professional" curricula and students in the first two years (corresponding to the undergraduate freshman and sophomore years) of integrated graduate professional degree programs should be classified as lower division, and not as graduate professional students.
(4)	Graduate I: Includes all students who hold a Bachelor's degree or the equivalent (or a "first professional" degree) and (a) are pursuing a Master's degree, (b) are pursuing a doctoral degree, but have not earned a Master's degree and have earned less than the equivalent number of credits normally required for

Term	Description
	a Master's degree, (c) are in a special, unclassified, visitor or other non-seeking status, or (d) are pursuing an Educational Specialist certificate, degree, or coordinate intermediate level degree program, whether or not they possess an earned Master's degree.
	(5) Graduate II: Includes all students who are pursuing a doctoral (except first professional) degree program, except those who are classified as Graduate I by the definition provided above.
Student Major Program	A term synonymous with Student Program. See Student Program.
Student Program	Refers to the course of study followed by a student. HEGIS Taxonomy is used as the reference for categorizing student programs for purposes of the NCFPE Cost Procedures.
Study Facilities	See Room Use Categories
Supplies and Services	A broad category of expenditures which includes all types of current fund expenditures, except compensation, capital expenditures, and student aid:
	(1) Supplies: Consumable instructional, research, and office supplies and materials.
	(2) Communications: Telephone, telegraph, postal, printing, binding, and reproduction services.
	(3) Travel: Transportation, food, lodging, and miscellaneous expenses reimbursed to an employee when he or she is representing or conducting business for the institution.

Term	Description
	(4) Other Contractual Services: All other services produced from outside sources that can be directly identified with a particular activity center, like consulting services. (5) Non-Capital Equipment: Those items of property that have an acquisition cost of less than $500 or an expected service life of less than two years. Services not included here are: Library/ Audio Visual Services (4.1 in PCS), General Administrative Services, including administrative data processing (6.3 in PCS) Logistical Services, including the handling and storage of materials and transportation services (6.4 in PCS), and Physical Plant Operations, including utilities, maintenance, landscaping, and facilities remodeling (6.5 in PCS).
Supporting Facilities	See Room Use Categories.
Teaching Assistant	See Rank.
Tenure	The institutional designation that serves to identify the status of the employee with respect to permanence of appointed position.
Trade or Craft Certificate	See Highest Degree/Diploma/Certificate Earned.
Trimester System	See Predominant Calendar System.
Tuition Charge - Students	The amount of money charged to students for instructional services; tuition may be charged on a per term, per course, or per credit basis. For NCHEMS-IEP/NCFPE purposes the tuition charge quoted should reflect tuition for a full-time student for an academic year.
Two-Year Institution	See Institution Type.
Unclassified Facilities	See Room Use Categories.

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Term	Description
Undergraduate Student	See Student Level.
Unit Direct Costs of Instruction	For NCFPE Cost Procedures, the dollars per departmental semester credit and the dollars per program semester credit.*
Unit Described	The legal name and address of the unit being described. For NCFPE Cost Procedures, the Unit Described must be the smallest self-contained unit that can provide data on the following: revenue, enrollment, personnel, costs across activity centers include: Berkeley Campus, South Campus, and Colorado Springs Center. Throughout the IEP-Phase I Manual, the terms "institution" and Unit Described are used interchangeably, except in the case of Institution Name (See Institution Name). (See also Appendix C for "activity centers".)
Upper Division Course	See Course Level.
Upper Division Student	See Student Level.
Unrestricted Revenues	Includes all funds received for which no stipulation as to how they were to be expended was made by the donor, or monies that are initially unrestricted and are subsequently designated for a particular purpose by the institution's governing board.
Work-Study Assistance	See Financial Aid.

*For NCHEMS-IEP, the dollars per discipline semester credit.

Appendix C

Program Classification

Structure Activity Centers

The following is a list of activity centers for use in the proposed interim national procedures. The list is closely related to the NCHEMS Information on Exchange Procedures (IEP) Program Classification Structure, but at a higher level of aggregation. Appendix Table C1 shows the relationship of the two.

Both NCHEMS IEP and NCFPE procedures have added several program areas to the original NCHEMS Program Classification Structure. These include student aid (8.0), hospitals (9.0) as a separate program, and physical plant operations (6.A) as a separate program from general administration (6.B). The use of buildings and capital equipment is included in 6.C.

The NCHEMS IEP descriptions are used since it is intended that the NCFPE proposed interim national procedures would be an aggregation of the NCHEMS IEP classifications.

Differences in two definitions distinguish the NCHEMS IEP Activity Classification and the NCFPE proposed procedures. First, in order to facilitate the use of accounting data, the NCFPE proposed procedures allow departments to be used in lieu of the discipline classification of the HEGIS Taxonomy of Instruction Programs; no cross-over from department to discipline is required. Second, in order to be consistent with the expected standards of the Cost Accounting Standards Board, the NCFPE procedures define the annual use charge for capital assets to include only current depreciation, not the "interest forgone on the investment of that asset." At this time such forgone income, called "opportunity cost," is not included as costs in NCFPE procedures. Third, since faculty assignment is recommended as the basis for cost distribution, the activities in 4.6 academic administration are defined differently.

Appendix Table C1. Program Classification Structure
Activity Center Summary

NCHEMS IEP		NCFPE Proposal	
1.1	General Academic Instruction*	1.1	General Academic Instruction*
1.2	Occupational and Vocational Instruction*	1.2	Occupational and Vocational Instruction*
1.3	Special Session Instruction*	1.3	Special Session Instruction*
1.4	Extension Instruction*	1.4	Extension Instruction*
2.1	Institutes and Research Centers**	2.0	Research
2.2	Individual and Project Research**		
3.1	Community Education**	3.0	Community Service
3.2	Community Service**		
3.3	Cooperative Extension Service		
3.4	Patient Services**		
3.5	Specialized Training Programs**		
4.1	Libraries	4.A	Libraries
4.2	Museums and Galleries	4.B	Other Academic Support
4.3	Audio/Visual Services		
4.4	Computing Support		
4.5	Ancillary Support**		
4.6	Academic Administration and Personnel Development**		
4.7	Course and Curriculum Development**		
5.1.7100	Student Development	5.0	Student Services
5.1.7200	Intercollegiate Athletics		
5.2	Supplementary Education Service**		
5.3	Counseling and Career Guidance		
5.4	Financial Aid Administration		
5.5	Student Support		
6.1	Executive Management	6.A	Physical Plant Operations
6.2	Fiscal Operations	6.B	General Administration
6.3	General Administrative Services		
6.4	Logistical Services		
6.5	Physical Plant Operations and Maintenance		
6.6	Faculty and Staff Services		
6.7	Community Relations		
6.9	Annual Use Charge for Capital Assets.	6.C	Capital Use Charges
7.0	Independent Operations.	7.0	Independent Operations
8.1	Scholarships	8.0	Student Aid
8.2	Fellowships		
9.0	Hospitals	9.0	Hospitals

*By discipline and course level
**By discipline

*By department and course level

The following is a detailed display of the items, their definitions, and codes, that comprise the activity centers.

1.1 General Academic Instruction

Definition:

The general academic instruction activity centers consist of those activities whose outputs are eligible for credit in meeting specified curricular requirements leading toward a particular postsecondary degree, certificate, or diploma granted by the institution.

Application:

Costs and other items of information that relate directly to academic discipline activities are to be categorized under this activity center.* Confusion may arise in cases where an academic discipline is offered primarily for instruction to vocational students, such as math for auto mechanics. In such cases, it is appropriate to identify the information with the associated academic discipline under the occupation and vocational instruction activity center (1.2.1701). The same institution (typically a community college) may offer mathematics for transfer students which would be appropriately coded 1.1.1701.

Limitations:

Information related to activities established to provide instructional services that are not creditable toward degrees should be assigned to the supplementary educational service (by discipline) activity center (5.2.XXXX), if the primary intent is to provide supplemental or remedial educational services for matriculated students; or to the community education activity center (3.1), if the primary intent is to offer instructional services for persons in the community. Information related to activities typically associated with two-year (or less) vocational certification should be included under the occupational and vocational instruction activity center (1.2.XXXX.XX). Courses that serve both 1.1 and 1.2 are to be categorized by primary intent. Information related to the extension instruction for credit activity center (1.4.XXXX) is also excluded.

*The NCHEMS IEP uses discipline as defined by the HEGIS Taxonomy of Instructional Programs (Appendix A). But for the NCFPE Proposed Interim Procedures, departmental organizations may be used in lieu of the standard disciplines.

Coding Detail:

Discipline and course level - 1.1.XXXX.XX.

1.2 Occupational and Vocational Instruction

Definition:

The occupational and vocational instruction activity centers consist of those activities whose outputs are eligible for credit in meeting specified curricular requirements leading to a particular postsecondary degree or certificate granted by the institution. The activities in these centers have been established primarily to provide instruction in non-academic disciplines and are intended primarily for use by institutions offering two-year (or less) terminal degrees for vocational certification in the trades and para-professional areas.

Application:

Costs and other items of information related to activities serving two-year (or less) terminal degrees for vocational certification are classified here. Confusion may arise where an academic discipline is offered primarily for instruction to vocation students, such as math for auto mechanics. In such cases, it is appropriate to identify the information with the associated academic discipline having management responsibility for the activities and code them within the appropriate occupational and vocational activity center (1.2). The same community college may offer mathematics for transfer students. That program would be appropriately coded 1.1.1701.XX. Courses that serve both 1.1 and 1.2 activities should be categorized by primary intent.

Limitations:

Activities related to general academic instruction (1.1) and extension instruction (for credit) (1.4) are excluded. Information related to activities established to provide instructional services that are not creditable toward degrees should be assigned to the Supplementary Educational Service activity center - by discipline - (5.2.XXXX), if the primary intent is to provide supplemental or remedial educational services for matriculated students; or the community education activity center (3.1), if the primary intent is to offer instructional services for persons in the community.

Coding Detail:

Discipline and course level - 1.2.XXXX.XX.

1.3 Special Session Instruction

Definition:

These activity centers consist of all those instructional activities that are offered during a summer session, interim session, or other period that is not in common with the institution's regular term. It consists of activities whose outputs are eligible for credit in meeting specified curricular requirements leading to a particular postsecondary degree or certificate granted by the institution.

Application:

Costs and other items of information related to special session instruction activities are categorized here.

Limitations:

Excluded is information related to instructional activities that are offered during an institution's regular academic term.

Coding Detail:

Discipline and course level - 1.3.XXXX.XX.

1.4 Extension Instruction (for credit)

Definition:

These activity centers consist of all those instructional activities that are managed separately by an extension division (or similar agency within the institution) and are applicable toward a formal degree or certificate. It consists of activities whose outputs are eligible for credit in meeting specified curricular requirements leading to a particular postsecondary degree or certificate granted by the institution.

Application:

Costs and other items of information related to extension instruction activities are categorized here.

Limitations:

Excluded is information related to activities that may not be credited toward formal degrees or certificates and are offered by an institution primarily as a public service, such as continuing education, short courses, and so forth.

Coding Detail:

Discipline and course level - 1.4.XXXX.XX.

2.0 Research: Includes all activities 2.1 and 2.2.

2.1* Institutes and Research Centers
(2.0)

Definition:

These activity centers contain all research-related program elements that are part of a formal research organization. Typically, research organizations are created to manage a number of research efforts. Program elements belonging to such semi-autonomous entities should be included within this program and classified according to the HEGIS disciplines wherever possible. In some cases, it may be preferred to classify these research organizations in relation to the general discipline category, such as physical sciences, rather than a specific subcategory, such as physics. Included are research division, bureaus, institutes, and experimental stations.

Application:

Costs and other items of information related to institutes and research center activities are categorized here.

Limitations:

Research activities that are managed within academic departments should be included in activity center 2.1, individual or project research.

Coding Detail:

Discipline level - 2.1.XXXX.

2.2* Individual and Project Research
(2.0)

Definition:

These activity centers consist of research activities that are normally managed within the academic departments. This subprogram

*NCHEMS IEP Activity Classification. The NCFPE aggregation code is given immediately below.

consists of the various research-related program elements that have been created as a result of a contract, grant, or specific allocation of institutional resources to conduct a study or investigation of a specific scope. Generally, such program elements may be identified with the principal investigator and should be coded within his or her assigned discipline. Program elements within this subprogram are normally of a temporary nature (for example, created for a specified period of time) as contrasted to the more permanent nature of the research organizations within 2.1, the institutes and research centers subprogram. However, an institution can explicitly commit departmental resources to the creation of research outcomes on an ongoing basis as a part of its educational program or policy. In such cases, the institution would appropriately establish research program elements in the various academic departments within subprogram 2.2, individual or project research.

Application:

Costs and other items of information related to individual or project research activities are categorized here.

Limitations:

Information related to activities of externally-funded educational activities, such as workshops, short courses, and training grants, would normally be considered as either instruction or public service. Departmental research, when not supported by specific designation of funds, is part of one of the instructional activity centers. Course and curriculum development is included under activity center 4.7.

Coding Detail:

Discipline level - 2.2.XXXX.

3.0 Community Service: Includes all of activities 3.1, 3.2, 3.3, and 3.4.

3.1* Community Education
(3.0)

Definition:

These activity centers consist of activities that are designed to provide services beneficial to groups external to the institution

*NCHEMS IEP Activity Classification.

and that are managed within the academic departments or elsewhere within the institution to provide continuing education, such as non-credit instructional services, to members of the community other than matriculated students. Community education is considered to be those activities that have been established to provide an educational service to the various members of the community and are not part of the degree curriculum, such as short courses, professional review courses, and so forth.

Application:

Costs and other items of information related to non-credit instructional services provided to members of the community other than matriculated students are classified here.

Limitations:

Information related to non-credit instructional services to provide supplemental or remedial services for matriculated students is classified under supplementary educational service activity centers (5.2.XXXX).

Coding Detail:

Discipline level - 3.1.XXXX.

3.2* Community Service

(3.0)

Definition:

These activity centers consist of activities that are designed to provide services beneficial to groups external to the institution and that are established to provide general community services, excluding instructional activities. Community service activities are managed either within the academic departments or elsewhere within the institution and have been established to provide general public services to the community at large or special sectors within the community. Community service is concerned with making available to the public various resources and unique capabilities that exist within the institution. Examples of community service may be conferences and institutes, general

*NCHEMS IEP Activity Classification

advisory services and reference bureaus, urban affairs, international affairs, radio and television, consultation, and similar activities. Community service activities are those for which the primary intent for establishing and maintaining the activity is to provide services that are beneficial to groups and individuals outside of the institution.

Application:

Costs and other items of information related to general community services, excluding instructional activities, are to be classified here.

Limitations:

Information related to instructional activities or to activities established primarily for the institution's staff or student body is excluded.

Coding Detail:

No further breakdown recommended.

3.3* Cooperative Extension Service
(3.0)

Definition:

These activity centers consist of all those activities that are designed to provide services beneficial to groups external to the institution and that are established as the result of cooperative efforts between the university and outside agencies, such as agricultural extension and urgan extension). They are intended primarily for land-grant colleges and universities. The distinguishing feature of these activities is that the programmatic and fiscal control is shared by the institution with one or more governmental units. Historically, agricultural extension and, increasingly, certain urban extension programs represent a significant commitment of resources that are not necessarily under the control of the institution in terms of the programmatic direction of the activities. These cooperative extension programs are often a cross between independent operations and public service, in that they represent a mix of resources belonging to the institution.

*NCHEMS IEP Activity Classification.

Application:

Costs and other items of information related to activities and services associated with cooperative extension services are to be classified here.

Limitations:

Cooperative extension programs are often a cross between independent operations and public service. Information related to activities primarily under the control of an agency external to the institution is to be classified under the independent operations program (7.0).

Coding Detail:

No further breakdown recommended.

3.4* (3.0) Patient Services

Definition:

These activity centers consist of those activities providing services that benefit patients, either directly through faculty physicians or indirectly through consulting, laboratory, or other services rendered under the auspices of a hospital or clinic. Patient service activities are those that have been established to provide public services to the community-at-large or to special sectors within the community, such as low-income families.

Application:

Costs and other items of information related to patient service activities are categorized here. Patient service activities that are separately budgeted (like a speech clinic whose primary intent is public service) are identified with the appropriate activity center (3.4) during the account crossover. If patient services are inextricably combined with instruction and research activities, as in a teaching hospital, the related costs should be crossed over to Hospitals (9.0) or the appropriate Ancillary Support activity center (4.5).

*NCHEMS IEP Activity Classification.

Limitations:

Patient services provided to the student body are classified under student health services (5.5). Patient services provided to the faculty and staff are classified under faculty health services (6.6).

Coding Detail:

No further breakdown recommended.

3.5* (3.0) Specialized Training Programs

Definition:

These activity centers consist of those activities that offer non-credit training for a specified purpose and are typically administered and funded as separate projects or grants.

Application:

Costs and other items of information about activities in specialized training programs, such as the Peace Corps or law enforcement, are to be included here.

Limitations:

Do not include funds for stipends connected with the training program. They should be included in 8.1 or 8.2.

Coding Detail:

No further breakdown recommended.

NOTE: The overall objective of the activity centers contained in subprograms 4.1, 4.2, 4.3, 4.4, 4.5, 4.6, and 4.7 defined below is to provide support services that are an integral part of the operations of instructional research, and public service activity centers through the retention, preservation, and display of materials, or provide services that directly assist the academic functions of the instituting.

4.1 (4.A) Libraries: NCFPE uses 4.B

Definition:

These activity centers consist of all activities that directly support the operation of a catalogued or otherwise classified collection of published material.

*NCHEMS IEP Activity Classification.

Application:

Costs and other items of information related to activities supporting the operation and maintenance of a collection of published materials is classified here.

Limitations:

Information related to such activities as providing departmental library services are included in the appropriate instructional activity center.

Coding Detail:

If a library can be identified with a group of disciplines (for example, Law - Business), the first two digits of the HEGIS code should also be used.

4.B Other Academic Support: Includes 4.2, 4.3, 4.4, 4.5, 4.6 and 4.7.

4.2* Museums and Galleries
(4.B)

Definition:

This activity center consists of all activities established to provide services to the collection, preservation, and exhibition of historical materials, art objects, scientific displays, and so forth.

Application:

Costs and other items of information related to the provision of museum and gallery activities are included in this category.

Limitations:

Information related to research activities in museums and galleries should be classified under the institutes and research centers activity center (2.1) or the individual and project research activity center (2.2).

Coding Detail:

No further breakdown recommended.

*NCHEMS IEP Activity Classification.

4.3* Audio/Visual Services
(4.B)

Definition:
This activity center consists of all activities associated with providing audio and visual services to support the academic programs of the institution.

Application:
Costs and other items of information related to providing audio and/or visual materials are included in this category.

Limitations:
Information related to such activities as audio/visual technology as part of the instructional process (language laboratory for an individual department) should be included in the appropriate discipline and instructional activity center.

Coding Detail:
No further breakdown recommended.

4.4* Computing Support
(4.B)

Definition:
This activity center consists of those activities established to provide computing support to the instruction (1.1, 1.2, 1.3, and 1.4), organized research (2.0), and public service (3.0) activity centers.

Application:
Costs and other items of information related to computing support activities are classified here.

Limitations:
Excluded are items of information related to administrative data processing activities that are included as part of the general administrative service activity center (6.3). In the case of a centralized center serving both academic and administrative needs, it is recommended that the institution attempt to distinguish between those resources pertaining to supporting the administrative

*NCHEMS IEP Activity Classification.

computing activities and that related to academic computer support activities. Information related to computer-assisted instruction activities should be identified with course activities and should be coded under the appropriate instructional activity center and discipline.

Coding Detail:

No further breakdown recommended.

4.5* Ancillary Support
(4.B)

Definition:

These activity centers consist of those activities that provide support services to the primary programs and are not appropriately classified within the previous activity centers. Such ancillary support activities, when they exist, normally provide joint services to the instruction, organized research, and public service programs.

Application:

Costs and other terms of information related to ancillary support activities typically deal with demonstration schools and special functions, such as machine or glass-blowing shops.

Limitations:

Information pertaining to shops and similar activities that serve a specifically identifiable function and discipline should be coded under the appropriate category of the instructional organized research, or public service activity center. Information relating to teaching hospitals should be coded as a separate program (9.0)

Coding Detail:

Discipline level - 4.5.XXXX.

*NCHEMS IEP Activity Classification.

4.6* Academic Administration and Personnel Development
(4.B)

Definition:

These activity centers consist of all activities that provide general administrative support and management direction for the primary programs.

Application:

For the purposes of this document, costs and other information related to the activities of college deans, associated support staff, and their equivalents are included in this category.*

Limitations:

Information related to the activities of the institution's executive and general administrative officers are more appropriately coded under the executive management activity centers (6.1).

Coding Detail:

Discipline level - 4.6.XXXX.

4.7* Course and Curriculum Development
(4.B)

Definition:

These activity centers consist of those activities established to accomplish the planning and developmental activities for future (i.e., subsequent to the current budget period) instructional activities. The intent of this center is to separate initially from the current operational aspects of the instruction program those activities that may result in instructional offerings at some point beyond the current budget period. This activity center may be thought of as reflecting investment costs for future instruction program elements.

Application:

For the purposes of this manual, costs and other information related to separately budgeted activities that are specifically devoted to course and curriculum development activities are classified here. Also included are course and curricular activities of all faculty members as identified through a faculty activity analysis.

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*NCHEMS IEP Activity Classifications.

**For these procedures, all faculty members and departmental chairmen and associated support staff included in the departmental budget should be classified as 1.X. According to the NCHEMS PCS, these "administrative" activities or positions would be included in 4.6 through a faculty activity analysis. The original NCHEMS PCS reads: "For purposes of [the NCHEMS PCS], costs and other information related to the activities of college deans, departmental chairmen, associated support staff, and their equivalents are included in this [4.6] category. Also included are administrative activities of all faculty members as identified through a faculty activity analysis."

Coding Detail:

Discipline level - 4.7.XXXX.

5.0 Student Services: (Includes 5.1 through 5.5)

NOTE: The overall objective of activity center 5.1.7100, 5.1.7200, 5.2, 5.3, 5.4, and 5.5 as defined below is to contribute to the student's emotional and physical well-being, outside the context of the formal academic program.

5.1.7100* Student Development
(5.0)

Definition:

This activity center consists of all those activities that have been established to provide for the student's social and cultural development outside of the degree curriculum.

Application:

Costs and related items of information to be classified under this center include those that pertain to activities such as student activities, cultural events, student organizations, recreation, and intramural athletics. Information related to student unions, bowling alleys, and sports complexes is also included here.

Limitations:

Information related to intercollegiate athletics and to instructional activities creditable toward a degree is excluded.

Coding Details:

No further breakdown recommended.

5.1.7200* Intercollegiate Athletics
(5.0)

Definition:

This activity center includes activities associated with the performance of intercollegiate athletics. It is assumed that the primary intent of such activities is to enhance the student's development.

*NCHEMS IEP Activity Classification.

Application:

This center is provided to keep a separate tabulation of costs and other information devoted to the institution's intercollegiate athletics program.

Limitations:

Information related primarily to intramural activities and/or instructional activities is excluded.

Coding Details:

No further breakdown recommended.

5.2* Supplementary Education Service
(5.0)

Definition:

These activity centers consist of those activities that have been established primarily to provide matriculated students with supplemental instruction outside of the normal academic activities. Generally, activities within this center are established to provide remedial education service as contrasted to institutional activities that are a part of the degree curriculum.

Application:

Costs and other information related to the provision of supplemental instruction outside the normal academic program to matriculated students are included here.

Limitations:

Information related to regular academic programs and to providing non-degree instructional activities to members of the community is excluded.

Coding Detail:

Discipline level - 5.2.XXXX.

5.3 Counseling and Career Guidance
(5.0)

Definition:

This activity center consists of those activities established to provide counseling services, career guidance, and placement services for the student body.

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*NCHEMS IEP Activity Classifications.

Application:

Costs and other information related to the activities of placement bureaus, counseling centers, and so forth, are included in this activity center.

Limitations:

Information concerning faculty giving informal student counseling is excluded.

Coding Detail:

No further breakdown recommended.

5.4* Financial Aid Administration
(5.0)

Definition:

This activity center consists of those activities established to provide financial aid and assistance to students and pertains only to the administration of such activities.

Application:

Costs and related information concerning the activities associated with financial analysis and counseling and the administration of work study, student employment, scholarships, loans, and grants programs are included here.

Limitations:

Excluded is information concerning placement bureaus for students leaving the institution. Note also that the actual cash amounts for scholarships, loans, and grants are excluded.

Coding Detail:

No further breakdown recommended.

5.5* Student Support (5.0)

Definition:

These activity centers consist of those activities established within the institution to provide convenience services to the student body or services to special student groups. For many institutions, it will often be difficult to distinguish between convenience services provided for the benefit of students and those provided for faculty and staff (for example, a central cafeteria for both). In such instances, the activity center will typically be identified to the student support center unless the primary intent is clearly to provide services for the faculty and staff.

Application:

Costs and other items of information related to activities--such as student housing, health services, veterans assistance, disadvantaged assistance, food services, and retail services and stores concessions--are included here. Typically, information regarding bookstores, student health centers, residential complexes, and cafeterias is also classified under this category.

Limitations:

Excluded is information related to the provisions of similar activities for members of the staff.

Coding Detail:

No further breakdown recommended.

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*NCHEMS IEP Activity Classifications.

NOTE: The overall objective of the activity centers contained in subprograms 6.1, 6.2, 6.3, 6.4, 6.5, 6.6, 6.7, and 6.8 defined below is to maintain the institution's organizational effectiveness and continuity.

6.0 Institutional Support

For purposes of the NDFPE Proposed Interim National Standards, the program is classified into three subprograms: (1) 6.A Plant Operations is equivalent to 6.4 and 6.5 in the NCHEMS IEP Activity Classification; (2) 6.B General Administration includes 6.1, 6.2, 6.3, 6.6, and 6.7; and (3) NCFPE 6.C is similar to NCHEMS IEP 6.8, Annual Use Charge for Capital Assets.

6.1* (6.A) Executive Management

Definition:

These activity centers consist of all central executive level activities and other activities concerned with the management and long-range planning of the entire institution, as contrasted to any one program within the institution.

Application:

Costs and other information pertaining to central operations activities such as legal services, executive direction (the governing board, the chief and senior executive officers), analytical studies, institutional research, and long-range planning are included here.

Limitations:

Information regarding administrative data processing activities, logistical services, and physical plant operations are excluded.

*NCHEMS IEP Activity Classification.

Coding Detail:

No further breakdown recommended.

6.2* Fiscal Operations
(6.B)

Definition:

These activity centers consist of those central operations activities related to fiscal control, investments, and functional activities related to the fiscal operations of the institution.

Application:

Costs and related information pertaining to the activities of the fiscal operations of the institution are included here.

Limitations:

Information regarding financial aid and counseling activities for the student body is excluded.

Coding Detail:

No further breakdown recommended.

6.3* General Administrative Services
(6.B)

Definition:

These activity centers consist of those activities established to provide central administrative services, such as administrative data processing, and activity centers related to student records and staff personnel.

Application:

Costs and related information pertaining to general administrative activities, such as administrative data processing, are classified here.

Limitations:

Information concerning data processing activities that serve the primary programs explicitly is more appropriately coded under the computing support activity center (4.4).

Coding Detail:

No further breakdown recommended.

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*NCHEMS IEP Activity Classification.

6.4* Logistical Services
(6.A)

Definition:

These activity centers consist of activities established to provide procurement services, supply and maintenance of provisions, and the orderly movement of support materials for the campus operation. Included within logistical services are central activities related to the environmental health and safety of the staff and students.

Application:

Costs and other items of information regarding activities such as central stores, central laundry, and campus enforcement officers are included in this category.

Limitations:

Excluded is information pertaining to the logistical service activities of special organizational units within the institution.

Coding Detail:

No further breakdown recommended.

6.5* Physical Plant Operations and Maintenance
(6.A)

Definition:

These activity centers consist of those activities established to provide services related to the campus grounds and facilities.

Application:

Costs and related information about activities related to maintaining existing grounds and facilities, operating utility services, creating new facilities and/or modifying eristing facilities are included here. For the purpose of information exchange, all chargebacks of utilities expenditures to specific organizational units are to be aggregated in this activity center.

Limitations:

This category includes only the information about the activities of operating physical plant departments. Capital expenditures for plant expansion and modification should be excluded.

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*NCHEMS IEP Activity Classification.

Coding Detail:

No further breakdown recommended.

6.6* (6.B) Faculty and Staff Services

Definition:

These activity centers consist of those activities established to provide support services for the faculty and staff, and those activities for which the primary intent of their establishment is to provide support and convenience services to the faculty and staff.

Application:

Costs and other information about activities (such as faculty clubs and staff housing) are to be included in this category.

Limitations:

Information pertaining to service activities where primary intent is not obvious (like a central cafeteria) should be classified under the student support activity centers (5.5).

Coding Detail:

No further breakdown recommended.

6.7* (6.B) Community Relations

Definition:

These activity centers consist of those activities that have been established (1) to maintain relationships with the general community, the institution's alumni, or other constituents, and (2) to conduct activities related to development and fund raising.

Application:

Costs and related information about community relations activities (such as the alumni office and the public relations office) should be classified here.

Limitations:

Information about activities established primarily to provide public service to the community is excluded.

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*NCHEMS IEP Activity Classification.

Coding Detail:

No further breakdown is recommended

6.9 Annual Use Charge for Capital Assets

Definition:

These activity centers consist of the capital costs of all buildings and equipment used by the institution in operating its programs.

Application:

The capital costs can be measured in one of two ways: (1) if the buildings or equipment are leased, the annual use charge is equivalent to the total rental expenditures; (2) if the buildings or equipment are owned by the institution, the annual use charge is defined as the current depreciation of the asset.

Coding Detail:

The following activity centers are recommended: Calculated Use Charge for Buildings (6.9.8500); Rental Charge for Buildings (6.9.8600); Calculated Use Charge for Equipment (6.9.8700); Rental Charge for Equipment (6.9.8800).

7.0 Independent Operations

Definition:

These activity centers consist of activities that are independent of, or unrelated to, the primary missions of the institution. Included are operations owned or controlled by the institution (for example, a race track). Included also are operations that are controlled or operated by outside agencies but are housed or otherwise supported by the institution.

Application:

These activity centers are provided to give the institution the capability to classify independent activities. In terms of costing it will be neither a support activity center nor a final cost objective. Thus, wherever possible, all costs and related information—including utilities, salaries, audio/visual services

related to independent operations—should be lodged in this activity center during the account crossover.

Coding Detail:

No further breakdown is recommended.

8.0 Student Aid

Includes 8.1 and 8.2.

8.1* Scholarships
(8.0)

Definition:

An activity center that includes all expenditures for undergraduate student aid.

Application:

Expenditure information in this activity center should include financial aid to students in the form of tuition and fee remissions, as well as scholarships and gifts.

Limitations:

This activity center does not include student loans nor expenditures for work-study. It also does not include remission of tuition and fees as a result of either family or staff status which should be classified as fringe benefits rather than student aid.

Coding Detail:

No further breakdown recommended.

8.2* Fellowships
(8.0)

Definition:

An activity center that includes all monies awarded to graduate students (either pre-doctoral or post-doctoral) to encourage study in their field of interest.

Application:

Normally, fellowships are cash awards (outright gifts) and are not contingent upon services rendered by the student as are teaching and research assistantships. This activity center also

*NCHEMS IEP Activity Classification.

includes any funds from specialized training grants specifically designated for stipends as well as tuition, waivers or refunds.

Limitations:

If services are required to exchange for the fellowship, that portion expended by the institution should be classified as direct costs to the department or organizational unit to which services are rendered.

Coding Detail:

No further breakdown recommended.

9.0 Hospitals

Definition:

This activity center includes all activities associated with the operations of the hospital, including nursing services, other professional services, general services, administrative services, and fiscal services.

Application:

Costs and related information pertaining to the operation of a hospital should be included here.

Limitations:

Those activities that take place within the hospital, but are more appropriately categorized as instruction, research, or public service should be excluded from this category.

Coding Detail:

No further breakdown recommended.

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